Playtech plc Annual Report and Financial Statements 2023

playtech

Our strategic roadmap

Our purpose

To create technology that changes the way people experience gambling entertainment

Our strategy

B2B:

1. Be the partner of choice for newly regulating markets
2. Capitalise on Live and SaaS opportunities
3. Realign resources to reflect B2B growth areas

B2C:

4. Leverage retail presence to grow Snaitech's online business
5. Optimise HAPPYBET for online
6. Targeted M&A to expand Snaitech

Read more about our strategy on **pages 10 and 11**

Our critical success factors

- Scale and distribution
- Data
- Sustainable Success
- Innovation

Read more about our strengths on **page 30**

Sustainability priorities

playtech protect
Pioneering safer gambling solutions

playtech people
Promoting integrity and an inclusive work culture

playtech planet
Powering action for positive environmental impact

playtech partners
Partnering on shared societal challenges

Read more about our sustainability strategy on **pages 48 to 87**

You will find the icon above throughout this report to highlight Sustainable Success content

Playtech is the leading platform, content and services provider in the online gambling industry, with a clear strategy to benefit our shareholders, customers, colleagues and the environment.

Founded in 1999, the Company has a premium listing on the Main Market of the London Stock Exchange and is focused on regulated and regulating markets across its B2B and B2C businesses. Both divisions leverage Playtech's proprietary technology to deliver innovative products and services to ensure a safe, engaging and entertaining betting and gaming experience.

Contents

View the Digital Summary Report at www.ar23.playtech.com

Financial highlights

2023 saw a strong financial performance

Group revenue growth[1]

7%

Group Adjusted EBITDA[1]

€432m

B2B Adjusted EBITDA growth[1]

14%

Net debt to EBITDA[4]

0.7x

Revenue[1]
€'m

2023	1,707
2022	1,602
2021	1,205
2020	1,079
2019	1,441

Revenue from regulated markets[2]
%

2023	92
2022	89
2021	85
2020	84
2019	87

Adjusted EBITDA[1,5]
€'m

2023	432
2022	395
2021	308
2020	248
2019	372

Diluted Adjusted EPS[1]
c

2023	50.2
2022	51.5
2021	40.9
2020	8.8
2019	44.6

Net debt to EBITDA[4]
x

2023	0.7
2022	0.6
2021	1.9
2020	1.7
2019	1.6

Adjusted operating cash flow[3]
€'m

2023	383
2022	397
2021	318
2020	276
2019	303

"A strong performance in 2023, driven by both the B2B and B2C divisions, with a resilient balance sheet."

Chris McGinnis
Chief Financial Officer

1 From continuing operations.

2 B2B and B2C only.

3 Continuing operations but includes Finalto in FY 2019 and FY 2020. Adjusted for Snaitech's PREU tax payment of €90 million relating to 2020, which was paid in 2021 due to circumstances around COVID-19. Definition has changed from FY 2021 to adjust for changes in jackpot balances, security deposits and client funds, professional fees and ADM security deposit.

4 Net debt/Adjusted EBITDA is calculated as gross debt less Adjusted gross cash including cash held for sale and excluding cash held on behalf of clients, progressive jackpots and security deposits divided by Adjusted EBITDA from continuing and discontinued operations.

5 Adjusted EBITDA for prior years is restated to reflect Snaitech bank charges being recognised within EBITDA from FY 2023. Previously, they were recognised within finance expenses.

Operational highlights

Good progress made against strategic priorities

B2B – strengthening across key markets

US continues to gain traction

2023 was a year where significant progress was made on executing the US strategy. We signed a landmark agreement with Hard Rock Digital in early 2023, including an $85 million equity investment. We also launched with several operators in multiple states, and are now licensed in 11 states with further applications progressing.

Capitalising on Live

Live continued to see healthy revenue growth with regulated markets up 24% in 2023 versus 2022. Investment remains a priority with the launch of our third US studio in Pennsylvania, while we have opened a second studio in Lima. Innovative content continues to be rolled out, with the launch of Jumanji™ The Bonus Level Live and Big Bad Wolf Live.

Structured agreements drive LatAm growth

During 2023, we witnessed an excellent performance from Wplay in Colombia and encouraging progress from Galerabet in the exciting Brazil market, and continued to benefit from our highly successful partnership with Caliplay in Mexico.

B2C – delivering across both retail and online

Preserving brand leadership

Snai's brand equity plays a crucial role in driving growth, particularly in the context of the advertising ban in the Italian market. In 2023, the Snai brand was ranked number one in sports betting (retail and online combined, as measured by gross gaming revenue (GGR)), which is a testament to its consistently strong operational performance and unique brand identity.

Retail betting business showing strength

Driven by pent-up demand in Italy post the World Cup, the retail betting division delivered a record performance, c.20% above the pre-pandemic levels achieved in 2019. This illustrates the strength of the Snai brand, and increases the addressable pool of customers to transition to online.

Bolt-on acquisition; strong M&A pipeline

In March 2023, Snaitech acquired Giove Group, a well-established betting operator in the Puglia region (southern Italy). Giove holds licences for both retail betting and online and directly manages 18 betting shops. The acquisition, while small, illustrates the appetite to grow the Snaitech business in Italy.

Championing sustainability across the Company

Pioneering safer gambling solutions

Playtech has enhanced its leading Player Account Management+ (PAM+) offerings through the development of personalised responsible gambling tools for individual players. These tools are capable of adapting to the players' risk level, which is calculated by Playtech's cutting-edge analytics tool BetBuddy.

Paving the road to net zero

As Playtech sets in motion its net zero plan, the Company has approved a near-term science-based emissions reduction target of 50.4% in its Scope 1, 2 and 3 emissions by 2032, and a net-zero science-based target by 2040 with the Science-based Target initiative (SBTi).

Providing support to colleagues facing hardship

Playtech launched its Global Benevolent Fund, an initiative to provide financial support to colleagues and their immediate families who may encounter unforeseen, severe, life-changing challenges such as medical emergencies, severe illness, and financial hardship.

Company overview

The leading platform, content and services gambling technology company

19
Countries with offices
Country

>7,700
Colleagues

>180 in >40
Licensees **Regulated jurisdictions**

A global company

Playtech was established at the inception of the online gambling industry and possesses unparalleled knowledge and expertise in the sector, with over 20 years of experience and investment in technology. Playtech's global scale and distribution capabilities, with over 180 licensees operating in over 40 regulated markets and with offices in 19 countries, mean we are ideally positioned to capture opportunities in newly regulating markets and high-growth markets with low online penetration.

Core competencies

Scale and distribution

Playtech's scale and distribution network in both retail and online allows it to power its leading suite of platform, content and services.

Read more on **page 30**

Data

Playtech's scale enhances its data-driven analytics, allowing it to develop intelligent platform features to improve customer experience.

Read more on **page 41**

Sustainability

Growing our business in a sustainable and responsible way, and in line with our values, is a key factor in delivering long-term value for all of our stakeholders.

Read more on **pages 48 to 87**

Innovation

We invest heavily to deliver innovative ways for end customers to experience content and services, such as pioneering omni-channel gaming.

Read more on **pages 32 to 43**

Our operations

B2B

Providing technology to gambling operators globally through a revenue share model and, in certain agreements, taking a higher share in exchange for additional services.

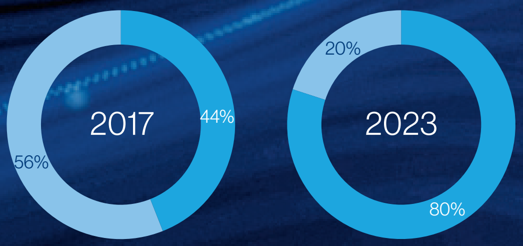
Read more on **page 28**

€684m
Revenue

€182m
Adjusted EBITDA

27%
Adjusted EBITDA margin

An increasingly more sustainable division



Regulated B2B revenues
Unregulated B2B revenues

44%
% of regulated B2B revenues (2017)

80%
% of regulated B2B revenues (2023)

B2C

Acting directly as an operator in select markets and generating revenues from online gambling, gaming machines and retail betting.

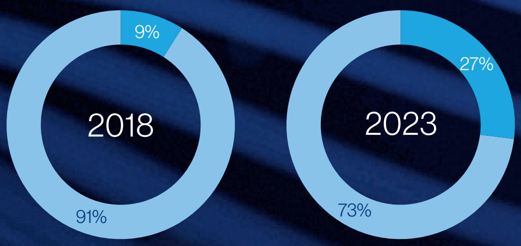
Read more on **page 29**

€1,037m
Revenue

€250m
Adjusted EBITDA

24%
Adjusted EBITDA margin

Snaitech is a fundamentally higher quality business since acquisition



Snaitech % of online revenues
Snaitech % of retail revenues

18%
Snaitech EBITDA margin (2018)

27%
Snaitech EBITDA margin (2023)

Chairman's statement

Another year of strong strategic and operational progress

Brian Mattingley
Chairman

We have a clear and proven strategy across both B2B and B2C, underpinned by outstanding products and extremely talented colleagues in some of the most exciting and fastest growing markets worldwide."

Introduction

I am pleased to be writing to you after another successful year for Playtech. The Company has built on the strong strategic and operational progress of recent years, and continues to cement its leadership across both B2B and B2C.

I would like to take this opportunity to thank the Executive Management team, which continues to demonstrate its agility and resilience in navigating a challenging external backdrop, given the ongoing wars in Ukraine and the Middle East. I would also like to highlight our professional and hardworking colleagues around the world, who remain committed to supporting all our customers and growing our business. Finally, I would like to acknowledge the support of the Non-executive Directors, who have worked tirelessly in supporting the Group's strategy and ambitions.

2023 in review

While there were many challenges in 2023, the consistent quality at the core of our business meant that we were able to upgrade our expectations during the year and deliver a strong financial performance. This result was underpinned by good contributions from both the B2B and B2C businesses, and ensures we are firmly on track to meet our medium-term Adjusted EBITDA targets.

B2B

Our B2B performance was powered by our continued strength in regulated and soon-to-be-regulated markets:

- We have laid the groundwork for future growth in the **US**: we signed a landmark strategic partnership with Hard Rock Digital, have three US Live Casino facilities operational and are now licensed in 11 US states.
- In **Latin America**, we further cemented our leadership position with Caliplay in Mexico, as well as our position with Galerabet in Brazil. We are currently working to resolve a disagreement with Caliplay, the online casino and sports betting arm of Caliente. Caliplay remains a highly important customer for Playtech and we are committed to continuing to maintain an open dialogue with Caliplay to discuss a path forward.
- **Live Casino** remains an attractive product vertical and we are continuing to invest in both physical infrastructure and content to capitalise on this exciting opportunity.

B2C

Our B2C operations continue to go from strength to strength, with Snaitech extending its reputation for excellent performance across both retail and online:

- The management team at Snaitech continues to deliver superb results, underlined by the Snai brand maintaining its number one market share position across Italian sports betting brands for retail and online combined.
- The retail betting division delivered a record performance, with revenues c.20% above the pre-pandemic levels achieved in 2019, illustrating the strength of the Snai brand. Online continues to perform well, benefiting from the brand awareness provided by the retail business.
- We remain very optimistic about the prospects for B2C, and are actively looking to accelerate the division's growth through targeted M&A and by optimising HAPPYBET's online offering.

Corporate activity

Hard Rock Digital

As announced in March 2023, Playtech signed a landmark strategic agreement with Hard Rock Digital, the interactive gaming and sports betting division of Hard Rock International. Partnering with such an iconic brand with a proven management team will significantly strengthen Playtech's position in North America and is very much in line with the Group's B2B strategy. As part of the agreement, Playtech has also invested $85 million in exchange for a minority stake in Hard Rock Digital.

The momentum across our business and the Group's healthy balance sheet have meant that we have been able to be active in reviewing potential acquisition opportunities during 2023, and submitted offers for assets in the B2C segment and for bolt-on acquisitions within B2B. We expect to continue to be open to any opportunities in the coming year, but will also remain very disciplined on price and in assessing the potential for acquisitions to add value for our shareholders.

Refinancing

The refinancing at the end of June 2023 strengthened our balance sheet, giving us the flexibility to invest in our business as well as pursue inorganic opportunities. The new €300 million bond enabled us to redeem all of the outstanding notes due in 2023 and to repay outstanding debt under the existing revolving credit facility, which is now wholly undrawn.

Board changes

At the start of the year, we welcomed Samy Reeb to the Board as a new independent Non-executive Director, bringing his extensive experience of working with global businesses across wealth and tax advisory. We are already benefiting from the additional depth he brings to the Board and will continue to draw on his expertise in the years to come.

A big priority of mine has been to improve the diversity of the Board, and the appointment of Ruby Yam as an independent Non-executive Director in June 2023 moved us in the right direction. While it was unfortunate that she stepped down the following month for personal reasons, we continue to be actively focused on achieving our ambition of having a more diverse Board.

We said goodbye to John Krumins following our interim results in September 2023. John's contribution was invaluable during a period of significant change for the Company. We wish him all the best for the future.

Over the year, we have also made changes to the composition of the Board Committees to ensure that we are making the most of the skills available to us. Further information can be found on page 117 in the Governance section of this report.

Sustainability

Our performance in 2023 was underpinned by our sustainability strategy, which is central to how we operate and serve our customers. As an organisation, we are committed to using technology to advance safer gambling. I am really pleased with the positive steps we have taken in this area, including bringing BetBuddy – our player protection tool – to more brands in more geographies.

2023 also saw Playtech receive recognition for our efforts to reduce our carbon footprint against our targets and an improvement in gender diversity within our leadership ranks. These are both areas I personally feel very strongly about, and we will not be complacent but will continue to invest time and resources in marching towards the targets that we have set ourselves.

Israel and Ukraine

As has unfortunately become necessary in recent years, we have to remain mindful of geopolitical tensions around the world. It can be easy for some to forget that the war in Ukraine rages on, but it remains front of mind for all of us at Playtech given the number of employees we have there. As has been the case since the start of the war, our colleagues continue to go above and beyond in providing support to those who remain on the ground in Ukraine.

We are also deeply saddened by the devastation and death toll caused by the ongoing Israel-Hamas war. Following the initial terrorist attack on 7 October 2023, our priority was to ensure the safety of our colleagues in the region and ensure they had whatever was needed to support them and their families. It goes without saying that, as an organisation, we strongly oppose all forms of hate and we hope for a resolution in the near future. Until then, we will continue to offer assistance to the communities we operate in wherever possible.

Another exciting year ahead

We remain as confident as ever in the opportunity ahead of us for our business and the industry we operate in. We have a clear and proven strategy across both B2B and B2C, driven by outstanding colleagues in some of the most exciting and fastest growing markets worldwide. We are well on track to meet our medium-term expectations, and look forward to continuing to deliver strong returns for all of our stakeholders.

Thank you for your continued support of Playtech.

Brian Mattingley
Chairman
26 March 2024

People and culture – Global Benevolent Fund

At Playtech, we strive to achieve shared values and celebrate success along the way, by empowering Playtech colleagues to be a force for good in the world. Our approach aims to help our people work together to maximise our collective positive impact on players, local communities and the environment.

We continually review ways in which we can support the health and wellbeing of our people, in good times and bad. In 2023, Playtech launched its Global Benevolent Fund, an initiative to provide financial support to colleagues and their immediate families who may encounter unforeseen, severe, life-changing challenges.

Since its inception in late 2023, the Fund has already supported colleagues in need, covering hardships such as losing a family member, long-term injuries and life-changing illnesses.

Our investment case

Structural growth drivers with margin expansion

With an increasingly diversified global offering, Playtech is primed to accelerate organic sales growth across both the B2B and B2C divisions.

Global regulated gambling markets, led by the Americas and Europe, are expected to grow materially. Playtech is well positioned to participate given its broad, high-quality product offering, while structured agreements and SaaS allow Playtech to serve almost any operator across the globe. In our B2B business, high operating leverage within the attractive Live and SaaS segments should provide a further tailwind to margins.

Snaitech, our B2C business in Italy, has become a fundamentally higher quality business since the acquisition, accelerated by the pandemic, due to the structural shift towards the underpenetrated, higher margin online business and this is expected to continue to deliver strong growth.

Playtech has the potential to deliver a powerful combination of top-line growth and margin expansion, which is expected to drive earnings momentum and high cash flow generation for the Group. As a result, further investments can be made to position ourselves advantageously in other newly regulating markets as well as delivering shareholder returns.

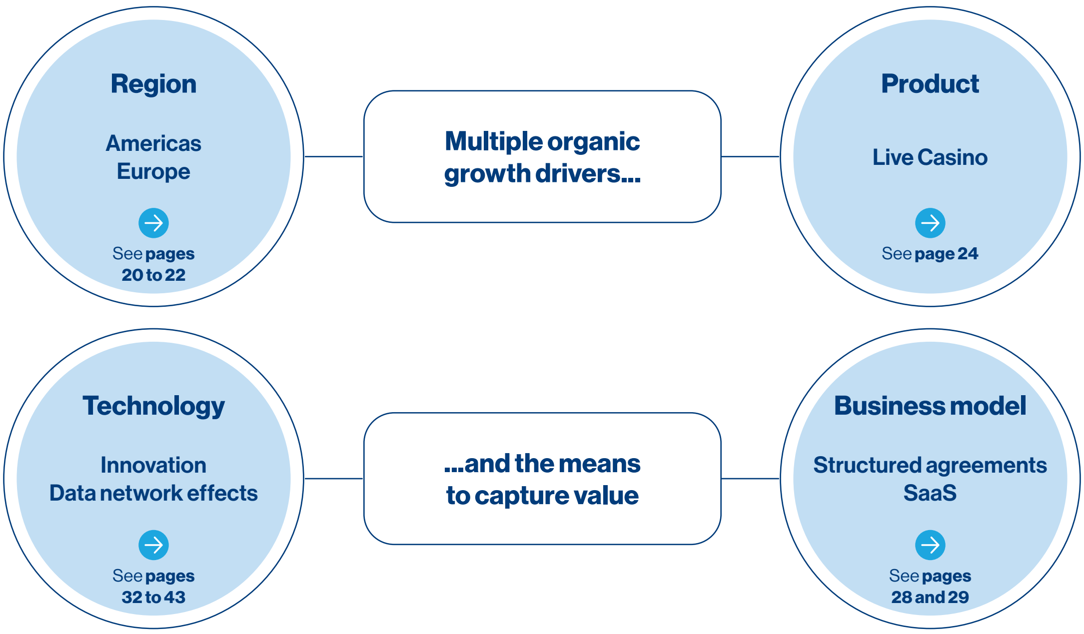
1

Attractive structural growth drivers in B2B

The gambling market is in the midst of a super-cycle (see page 20), driven by the expansion of regulated and regulating markets, with the Americas and Europe leading the way.

At the same time, rapidly shifting consumer and technology trends have grown the appeal of the Live segment.

Playtech is well placed to capture this considerable opportunity. Through its investments in innovation, Playtech possesses a strong technology offering and its sheer scale means it has access to vast amounts of data, allowing it to generate data network effects (see page 23) and take advantage of the benefits of AI. In addition, the variety of its business model offering from structured agreements to SaaS allows it to serve almost any operator.



2

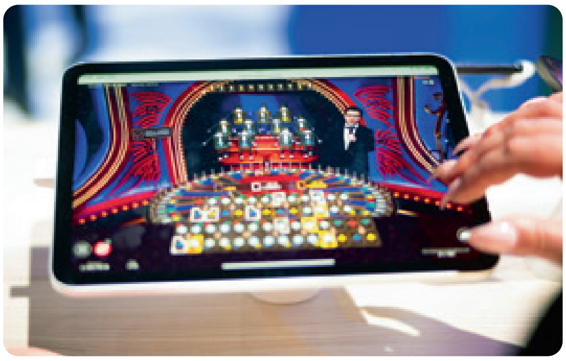
Underpenetrated online segment set to drive B2C growth

Underpenetrated Italian online market

Italy is one of the top two gambling markets in Europe, along with the UK. Unlike the UK, the online market is still underpenetrated at 30% versus 59% in the UK and thus we see scope for the addressable market to grow in Italy. With average revenue per online customer acquired from retail sites more than three times higher than those acquired directly through online channels, Snaitech's strong brand, retail presence and cross-selling approach mean it is ideally positioned to benefit from this growth opportunity.

30%
Italy online penetration[1]

59%
UK online penetration[1]



Further upside from European expansion

Outside of Italy, there is the potential to acquire retail-focused assets in neighbouring European countries with low online penetration at attractive multiples, with a view to growing the online business given the track record of existing Snaitech management.

1 Source: H2GC (includes betting and gaming and excludes lotteries).

3

Potential for margin expansion is significant

High operating leverage in Live and SaaS...

Within the Live Casino business, Playtech has already made significant investments in studio infrastructure. Within SaaS, Playtech has also invested heavily in data centres to be able to serve its customer base, while it has already signed up over 450 customers with scope to increase wallet share. Investment to date lays the groundwork for higher operating leverage going forward.

...coupled with the shift to the B2C online channel...

The Snaitech online business has a significantly higher margin than retail. As Snaitech looks to continue to migrate retail customers to online in addition to acquiring native online customers, we should continue to see the share of the online segment increase.

...to drive margin expansion across the Group

With both the B2B and B2C segments exposed to margin accretive factors, we expect Playtech to be able to deliver margin expansion in the years ahead. This, combined with accelerating top-line growth, will deliver earnings growth for Playtech's shareholders.

Our strategy

Building a market-leading global business

Playtech has a clear plan to continue to drive growth in a responsible and sustainable way. Here we outline the medium-term strategic priorities for both the B2B and B2C divisions, which will enable us to deliver revenue growth, expand margins and generate shareholder and stakeholder value.

B2B: well positioned in markets set for growth

1 Be the partner of choice for newly regulating markets

Growth in the gambling industry is primarily driven by regulation – growth comes from markets that are early in the journey of regulating, which then moderates as markets progressively mature. We aim to be the partner of choice for operators in newly regulating markets, with a particular focus on the Americas and Europe.

The US represents a huge revenue opportunity of $3 billion for Playtech on a per annum basis across iGaming, online sports and platform.

The LatAm region has strong structural drivers (see page 21). Playtech is ideally positioned to deliver strong growth via its structured agreements in multiple countries, including Brazil.

Finally, there continues to be strong potential in European markets that are either regulating or underpenetrated online where Playtech can bring the strength of its offerings to bear such as Spain and Germany.

Link to KPIs

1 2 3 4 5 6 7

Link to risks

1 2 3 4 5 6 7

2 Capitalise on Live and SaaS opportunities

Live represents an enormous opportunity (see page 24), in which Playtech has invested heavily. 12 studios are currently operational, including three in the US with Pennsylvania opening at the end of 2023. We have more than doubled the number of tables over the past five years and invested in both the latest cutting-edge technology and branded content, launching Jumanji™ The Bonus Level Live and Big Bad Wolf Live in the year. With significant operating leverage in the business, growth in Live is margin accretive.

The SaaS business model (see page 29) allows Playtech to serve those operators looking for Playtech's content without the platform, thus increasing the Company's total addressable market. With investments already made in building out infrastructure, such as data centres, SaaS is a high-margin segment. Although SaaS revenues have been growing strongly, revenue from each operator represents a small proportion of their wallet. Thus, we see ample scope to increase wallet share amongst these existing customers.

Link to KPIs

1 2 3 4 5 6 7

Link to risks

1 2 3 4 5 6 7

3 Realign resources to reflect B2B growth areas

With exciting areas of growth in regulated markets and several technology trends (see technology trends on page 23) maturing at the same time, there is a need to continue to invest in the B2B division to ensure Playtech maintains and grows its market share lead. We see opportunities across the B2B business where we can improve efficiencies and eliminate duplication, the savings of which can be used to fund any required investments.

Link to KPIs

1 2 3 4 5 6 7

Link to risks

1 2 3 4 5 6 7

See risk section on **pages 95 to 100**
See KPI section on **pages 12 and 13**

Embedding sustainability into our culture

At Playtech, we are embedding sustainability in the DNA of our Company. Our vision is to be the leading technology provider and partner of choice in regulated markets, delivering a safer, engaging and entertaining experience and driving a more responsible and sustainable business and industry.

Sustainability is a Board-level strategic priority, which includes sustainability-linked remuneration for selected leaders and the integration of sustainability principles throughout our operations and supply and value chain.

The most impactful contribution Playtech can make to society is to advance safer gambling and player protection solutions through technology. By developing and bringing safer products, data analytics and player engagement solutions to the market, we are helping the industry strengthen player protection measures whilst also helping our licensees succeed in regulated markets.

In addition, we are promoting a culture of integrity and inclusion, empowering Playtech colleagues to be a force for good in the world. This includes efforts to ensure operational and day-to-day decision-making takes into consideration environmental and social impacts. We are building an equitable workplace, which includes our efforts to achieve gender equity and equality and support our people in all dimensions of wellbeing.

B2C: a digital-led approach to drive growth

4 Leverage retail presence to grow Snaitech's online business

Italy is one of the top two gambling markets in Europe, along with the UK. Unlike the UK, the online market in Italy is still underpenetrated – 30% currently versus 59% in the UK. As a result, we see significant scope for the higher margin online business to grow.

Snaitech's strong retail brand is critical to its success and a competitive advantage compared to online-only operators, particularly in light of the advertising ban in Italy. With average revenue per online customer acquired via retail sites more than three times higher than those acquired directly through online channels, Snaitech's cross-selling approach means it is ideally positioned to benefit from this growth opportunity.

Link to KPIs

1 2 3 4 5 6 7

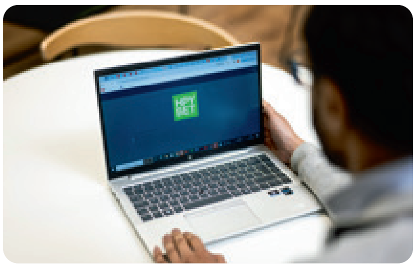
Link to risks

1 2 3 4 5 6 7

5 Optimise HAPPYBET for online

HAPPYBET sits under the management of the Snaitech team which continues the process to optimise HAPPYBET's online business. This involves rationalising its retail footprint with significant investment in the online business, mirroring the successful Snaitech strategy.

With Germany now a regulated market, HAPPYBET is in a strong position, having been awarded an online sports betting licence in Germany and beginning to offer online casino.



Link to KPIs

1 2 3 4 5 6 7

Link to risks

1 2 3 4 5 6 7

6 Targeted M&A to expand Snaitech

The Snaitech management team transitioned the business to take advantage of the shift to online. With this high-quality management team in place, there is scope to utilise this skill set and experience to participate in the consolidation of the Italian market and to expand to neighbouring European countries. Consolidation of HAPPYBET's position in Germany and Austria through M&A looks attractive, while acquiring assets in other neighbouring European countries provides further opportunity.

Link to KPIs

1 2 3 4 5 6 7

Link to risks

1 2 3 4 5 6 7

Key performance indicators

Financial

Group revenue growth[1]

7%

%

2023	7
2022	33
2021	12
2020	(25)
2019	27

Definition
Increase in revenue from continuing operations divided by prior year revenue.

Why are we focused on it?
Revenue is a key driver of the business and is reported in detail across geography and business unit. The measure enables us to track our overall success and our progress in increasing our market share.

2023 performance
Group revenue grew 7%, driven by regulated markets within the B2B division as well as Snaitech.

Link to strategy
1 2 3 4 5 6

Adjusted EBITDA margin[1]

25%

%

2023	25.3
2022	24.7
2021	26.3
2020	23.5
2019	26.1

Definition
Adjusted EBITDA shown as a percentage of revenue from continuing operations. We use Adjusted EBITDA to aid comparison year to year.

Why are we focused on it?
Adjusted EBITDA margin is a measure of improving profitability in our business and helps to evaluate the leveraging of our operating assets. It also determines the quality of revenue growth.

2023 performance
Adjusted EBITDA margin grew 64 bps, mainly driven by operating leverage on good revenue growth within B2B.

Link to strategy
1 2 3 4 5 6

Diluted Adjusted EPS[1]

50.2c

c

2023	50.2
2022	51.5
2021	40.9
2020	8.8
2019	44.6

Definition
Profit before exceptional items attributable to equity shareholders of the Group from continuing operations, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

Why are we focused on it?
Earnings per share reflects the profitability of the business and how effectively we finance our balance sheet. It is a key measure for our shareholders.

2023 performance
The movement is due to a rise in Adjusted EBITDA and decrease in financing costs, more than offset by the increase in amortisation and depreciation and a higher tax charge.

Link to strategy
1 2 3 4 5 6

Adjusted operating cash flow[1,2]

€383m

€'m

2023	383
2022	397
2021	318
2020	276
2019	303

Definition
Operating cash flow after adjusting for changes in jackpot balances, security deposits and client funds, professional fees and ADM security deposit.

Why are we focused on it?
Delivery of increased cash generated from operations allows us to invest in further growth opportunities across our business as well as deliver shareholder returns.

2023 performance
The movement is due to an increase in earnings, more than offset by the outstanding Caliplay receivable. See Note 7 for more details.

Link to strategy
1 2 3 4 5 6

1 From continuing operations.

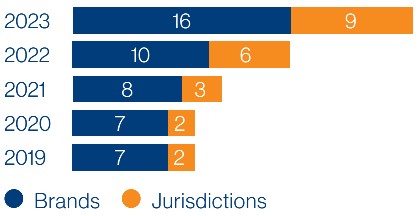
2 Includes Finalto up to and including FY 2020. Adjusted for Snaitech's PREU tax payment of €90 million relating to 2020, which was paid in 2021 due to circumstances around COVID-19.

Non-financial

Powering licensees with safer gambling solutions

16 brands

Integrated with BetBuddy



Definition
Number of brands in jurisdictions that were integrated and operational as at the end of the year with the Playtech Protect solution, BetBuddy.

Why are we focused on it?
As a business, the most impactful contribution that Playtech can make to the industry and in society is through the provision of technology to advance safer gambling and player protection.

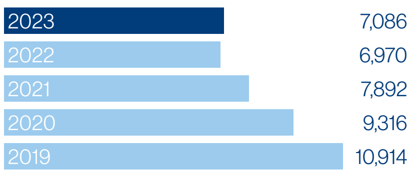
2023 performance
BetBuddy has expanded into three new jurisdictions, having been adopted by six additional brands in Sweden, Italy and Canada excluding Ontario.

Link to Sustainability Priorities
Pioneering safer gambling solutions.

Scope 1 and 2 greenhouse gas (GHG) emissions

38.6%

Reduction since baseline year, 2018



Definition
Amount of carbon dioxide equivalent (CO_2e) emitted through the energy used within all our assets, including office buildings, racetracks, Live studios and data centres. More details on the methodology can be found in the Responsible Business and Sustainability Addendum to the Annual Report 2023.

Why are we focused on it?
The environment, and particularly climate change, is a growing area of concern for Playtech, its investors and its other stakeholders. In 2019 Playtech introduced a GHG emissions target to guide its energy reduction efforts. The Company's ambition is to reduce its absolute Scope 1 and 2 GHG emissions (location based) by 40% by 2025, using 2018 as the baseline year. This target excluded emissions from refrigerants, which had not yet been considered in 2018.

2023 performance

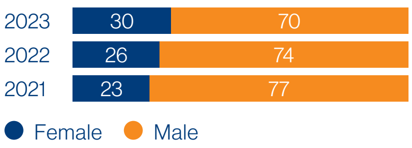
Playtech's Scope 1 and 2 (location-based) emissions, excluding refrigerants, were 7,086 tonnes CO_2-equivalent (CO_2e) in 2023. This is a 38.6% reduction compared to the 2018 baseline (11,543 tonnes CO_2e). During 2023, Playtech continued to its transition to renewable electricity in the key markets where the Company operates. This has resulted in 57.2% of the Company's total energy consumption now coming from renewable sources, backed up by energy attribute certificates, up from 56.4% in 2022.

Link to Sustainability Priorities
Powering action for positive environmental impact.

Gender diversity at senior leadership level

30%/70%

Female/male ratio



Definition
Percentage of male and female employees in senior leadership positions.

Why are we focused on it?
Playtech aims to foster a respectful and supportive workplace that enables every colleague to have the same opportunity regardless of background, gender, ethnicity, cultures, beliefs and other attributes that represent our customers and community. The Company has set out a specific diversity target to increase the representation of people who identify as female amongst its leadership population by 35% by 2025 against the 2021 baseline year, with an ultimate ambition to achieve equality in the workplace.

2023 performance
In 2023, Playtech introduced a new Global People Framework. This framework sets out the Company's people strategy across all elements of the colleague journey – from recruitment and onboarding to succession planning and personal and professional development.

Link to Sustainability Priorities
Promoting integrity and an inclusive culture.

Chief Executive Officer's review

A year of significant progress across the Company

Mor Weizer
Chief Executive Officer

"The Group made important financial, strategic and operational progress in 2023. Looking ahead, we remain very confident in our ability to execute our strategy and to deliver value for our shareholders."

Overview

2023 was a year of significant progress across Playtech. We delivered an excellent financial performance, with strong contributions from both the B2B and B2C businesses. We also remain firmly on track to meet our medium-term Adjusted EBITDA targets for B2B (€200–€250 million) and B2C (€300–€350 million), while we see further long-term upside given the favourable market dynamics and our competitive advantages.

Playtech's B2B business remains focused on regulated or soon-to-be-regulated markets. The division benefits from its exposure to high-growth markets across the Americas and Europe, which helped the B2B segment to deliver revenue growth of 8% (6% on a constant currency basis) to €684 million (FY 2022: €632 million). Strong operating leverage ensured Adjusted EBITDA margin expanded 130 bps, helping to deliver a 14% increase in B2B Adjusted EBITDA to €182 million (FY 2022: €160 million). Whilst being mindful that revenue has been recognised in full from Caliplay despite a large debtor balance at year end (see Note 7 for more detail), this performance reflected broad-based growth across our portfolio of leading products and services.

The opportunity in the US is significant and we have worked hard to position Playtech as a leading technology partner of choice to operators. Playtech now holds licences in 11 US states, which include recent licence approvals in Maryland, West Virginia and Delaware, with applications underway in further states. Having signed deals with multiple operators in 2022, 2023 saw a shift in focus as we looked to execute on launching with these operators across multiple states. In 2023, we launched with Rush Street Interactive and PokerStars, while also expanding our presence with BetMGM and BetParx. Playtech also signed a Player Account Management + (PAM+), Casino and Live Casino deal with Ocean Resort and Casino in New Jersey. As our presence grows, so does our team and our physical footprint. We now have over 200 colleagues in the US, and were pleased to open our third Live facility in the US in Pennsylvania at the end of 2023, adding to our New Jersey and Michigan facilities.

We remain optimistic about the potential of our landmark agreement with Hard Rock Digital to provide Casino and Live, amongst other content, in North America. We finished 2023 by completing the first delivery milestone, launching Casino slots and

table and Live dealer games in New Jersey. 2024 will see us make further progress in rolling out Playtech's high-quality offering across North America. Under the terms of the agreement, Playtech has also invested $85 million (€79.8 million) in exchange for a small minority stake in Hard Rock Digital.

Playtech is well positioned in Latin America, with established strategic agreements in Mexico and Colombia, which continue to show strong growth. At the same time, we have moved quickly to take advantage of newly regulated markets, such as Brazil. New legislation for sports betting and iGaming has now been signed into law by the President, and we have been encouraged by the early performance of our strategic agreement with Galerabet.

Within our medium-term guidance for B2B, we have set a medium-term SaaS revenue target of €60 million–€80 million. In 2023, we added over 100 new brands and grew revenue by over 50% to €50 million (FY 2022: €32 million), meaning we remain on track to meet this target. Attracting new brands through our SaaS business model is a key component of our strategy, helping to diversify our customer base and take advantage of the business model's inherent high operating leverage.

Snaitech powered the B2C business to another excellent performance in 2023. Revenues across the B2C division rose 5% to €1,037.0 million (2022: €983.1 million), exceeding €1 billion for the first time. Adjusted EBITDA increased 6% to €250.3 million (2022: €235.2 million). While Snaitech delivered another strong overall performance, the dynamics within 2023 were varied. In the first half of the year, within the betting segment, sales were up significantly across both retail and online due to pent-up demand after the football World Cup (given Italy was absent from the tournament). This was partly offset in the second half of the year due to the impact of customer-friendly sporting results in September and October, as has been well flagged by peers across the industry. The online segment continues to see good growth, with Snaitech well placed to benefit given the strength of the brand, the continuous improvements to apps and technology and a broadening of its content offering. The underpenetration of this segment continues to be a structural tailwind for the business.

Underpinning this performance are our talented colleagues around the world. Despite the significant disruption from geopolitical conflict during the year, they have continued to deliver for our customers and we are truly grateful to them all.

Israel and Ukraine

Many of our colleagues continue to be affected by the Israel-Hamas war and war in Ukraine. Our number one priority has been the safety and security of our colleagues and their families, and we are assisting them with a range of support measures. In Israel, as was the case in Ukraine, we have extended support to aid local response efforts with in-kind donations and volunteering as well as donations to hospitals and charities. We are also providing colleagues and their families with mental health and trauma services, as well as, where appropriate, financial assistance. Finally, I want to extend my appreciation to those who have been volunteering and supporting our colleagues, friends and their families affected by these tragic events.

B2B

Core B2B

Regulated markets

Playtech's B2B business is one of the leading platform, content and services providers in regulated and soon-to-be-regulated markets. The majority of these are high-growth markets such as the US, Latin America and certain European countries.

Revenue from regulated markets grew by 18% (15% on a constant currency basis) in 2023, primarily driven by a very strong performance from Caliplay in Mexico, albeit with a large outstanding debtor balance (see Note 7 for more details). There was also good growth from other regulated markets such as Poland, Spain and Canada.

The Americas

The Americas saw rapid growth once again, with 2023 revenue up 46% (35% on a constant currency basis) compared to 2022. This was largely driven by another strong performance from Caliplay as well as growing contributions from other customers, including NorthStar in Canada and Wplay in Colombia.

US

We have dedicated significant resources to establishing and growing the Group's presence in the US and we are pleased with the progress to date. The Group has taken significant steps to capitalise on the favourable regulatory environment in the US, and there remain multiple opportunities ahead. Having signed deals with multiple operators in 2022, 2023 was a year where Playtech shifted its focus to executing on those agreements.

In 2023, we launched with several operators across multiple states. Rush Street Interactive went live in Michigan with its Betrivers brand and in New Jersey with its Sugarhouse brand, both for Casino. Furthermore, we expanded our partnership with BetMGM with the launch of Casino in Michigan and launched with PokerStars in Michigan for both Casino and Live.

In partnership with Aristocrat, Playtech introduced Class II mobile-on-premise gaming at WinStar World Casino and Resort in Oklahoma with the Chickasaw Nation, while also signing a PAM+ deal with Ocean Resort and Casino in New Jersey to relaunch its site as BetOcean.com.

Our relationship with BetParx has gone from strength to strength. In 2023, we successfully launched Live in our newest US studio in Pennsylvania, in addition to New Jersey, featuring Adventure Beyond Wonderland Live Casino. We also launched PAM+ in Ohio and Maryland, giving Playtech a presence with BetParx in five states: Michigan, Pennsylvania, New Jersey, Ohio and Maryland. Further product launches in additional states with BetParx are expected going forward.

One year on from signing a landmark strategic agreement with Hard Rock Digital (HRD), the exclusive Hard Rock International and Seminole Gaming vehicle for interactive gaming and sports betting on a global basis, we remain very optimistic about its potential to grow our presence in both the US and other markets. As part of the partnership, in the US and Canada, HRD's customers will enjoy a variety of Playtech's iGaming content offering including slots, RNG and live dealer table games through HRD's existing proprietary platform and technology offering.

Chief Executive Officer's review continued

B2B continued

Core B2B continued
Regulated markets continued
US continued
These products will also be supplied outside of North America in addition to PAM+ and services including marketing and operations. As part of establishing our agreement with HRD, Playtech invested $85 million (€79.8 million) in exchange for a small minority equity ownership stake in HRD. In December 2023, Playtech completed the first delivery milestone, after launching online Casino slots and table and live dealer games in New Jersey.

During the course of last year, the Company also made good progress bringing its suite of innovative content to even more states. Adventures Beyond Wonderland Live Casino was launched in the New Jersey facility in July 2023, delivering the first true gameshow experience to the American market, and won the Gaming Product of the Year award in the 2023 American Gambling Awards. Mega Fire Blaze™ Roulette Live, a Playtech Live Casino hit in multiple countries, has opened in Michigan, while the Buffalo Blitz™ Live slot game has also launched in the US in Michigan. In addition, at the end of 2023, we launched a new Casino slot game in the US called Gold Rush™: Cash Collect™, based on the popular Discovery Channel reality TV show. Gold Rush™: Cash Collect™ has already launched in multiple European jurisdictions, proving successful.

Entry into new markets and high demand for Live Casino content has led the Group to expand its physical footprint considerably in recent years. We were pleased to announce that our third Live facility in the US was opened at the end of 2023 in Pennsylvania, adding to our New Jersey and Michigan facilities, positioning us well for Live in all three major iGaming states. Behind the Company's growing physical presence are an increasing number of employees focused on sales, operations and back-office functions, taking total headcount in the US to more than 200 at the end of 2023.

The evolution of the regulatory landscape in the US continues apace. Since the repeal of PASPA in 2018, numerous states have approved legislation to legalise sports betting. Many of these markets have already launched in both online and retail channels, with others expected to launch soon, while in Florida, progress is being made in relation to mobile sports betting.

Online casino, which was not subject to PASPA, is allowed at the discretion of individual states. In 2023, Rhode Island was the only state to authorise online casino, taking the total number of regulated iGaming states to eight including Nevada (poker only).

However, there are several states where iGaming legislation is being considered.

Playtech now holds licences in 11 US states which include recent licence approvals in Maryland, West Virginia and Delaware.

Canada
We are delighted with the positive start to our expanded partnership with NorthStar, which saw strong revenue growth in 2023, albeit from a low base. The Company also made an investment, initially by way of a convertible debenture in December 2022, which subsequently was converted into equity in H1 2023. The agreement also expands the scope of Playtech's offering to NorthStar to include operational and marketing services, in addition to PAM+, Casino, Live, Poker and Bingo solutions already launched. NorthStar has since acquired Slapshot Media Inc. to open up the Canadian market to the NorthStar brand beyond Ontario, and raised additional capital in H2 2023 from Playtech and other investors to accelerate the growth of NorthStar's footprint across Canada. Aside from NorthStar, Playtech has further exposure to the Canadian market with more than ten other operators and launched with FanDuel, Entain via its SIA brand and Jumpman, all for Casino and Live in Ontario.

Latin America
Latin America remains a hugely important market and will be a key driver of growth for the foreseeable future. Whilst there is a large outstanding debtor balance, Caliplay in Mexico continues to grow strongly.

As detailed at the interim results, revenue from Wplay was impacted by certain activities in the first half of the year. However, the second half of the year saw very strong growth in Colombia, and we remain excited about the opportunity afforded by the Colombian market, with Wplay well positioned to grow its presence there further in the years ahead.

In memoriam: Jonathan Richter

It is with great sadness that we lost our dear friend, Jonathan Richter, who was one of Playtech's very first employees. Tragically, Jonathan was one of the many victims of the 7 October terrorist attack in Israel. He was attending the music festival supporting ELEM, a nonprofit committed to improving the lives of at-risk youth all around the country.

Jonathan played a pivotal role in making Playtech become a global leader in its field, establishing and managing the casino and content units for over a decade. Jonathan was a kind and generous person who cared deeply about peace, having lived a life full of community service and dedicating much of his personal time to volunteering.

Jonathan's legacy is a fundamental part of our story, and we will always remember and cherish his contributions.

"Despite the significant disruption from geopolitical conflict during the year, our talented colleagues have continued to deliver for our customers and we are truly grateful to them all."

Having seen strong demand since opening our first Live Casino facility in Peru in 2022, last year we built and opened a second studio in Lima. This second facility will ensure we have the capacity to take advantage of further favourable regulation and strong growth in the region, such as in Brazil, in the years to come. Several customers, such as Wplay and Betano, have launched tables in the new Live facility with positive results so far.

We continue to see a shift towards regulation across Latin America, including in Brazil. 2023 saw the country take a crucial step with the President signing into law new legislation for online and retail sports betting and online casino at the end of 2023, and industry expectations are for a launch at some point in 2024.

Brazil is anticipated to be a significant, high-growth market given its large population and love of sports. Playtech is well positioned to benefit given its exciting strategic agreement with Galerabet, which migrated its Sports product onto Playtech's platform in 2023. In addition to Galerabet, Playtech also has exposure to Brazil via its other B2B partners in the country and launched with DoradoBet for both Casino and Live in H2 2023.

Peru has recently enacted legislation and published online gambling regulations for sports betting and online gambling, which are expected to come into effect in 2024, and Playtech is well positioned, launching with Atlantic City for Casino at the end of 2023.

Europe ex UK

In Europe ex UK, B2B revenue growth of 8% (8% on a constant currency basis) was driven by strong performances in several countries including Poland, Spain and the Czech Republic. This was partly offset by lower revenue from the Netherlands due to increased competition and a strict regulatory environment, and the loss of two retail sports contracts in the year.

Elsewhere in Europe, there were several exciting launches in both Spain and Italy. In Spain, we saw Juegging and DAZNBET both go live with Casino and Live, KirolBet with Live, and Luckia and Platin Casino both with Casino. In Italy, Leo Vegas and StarVegas launched Casino and Live products and Betway launched Live in the year. Playtech also launched with Betway in the UK for Casino. This demonstrates the versatility and scalability of Playtech's business model and the trend to grow customer relationships over time.

We were pleased to extend our contract with the Polish state operator, Totalizator, following a competitive public tender in 2023. The contract, which sees PAM+ extended for multiple years, illustrates the strength of Playtech's offering and our successful strategy of partnering with leading brands and institutions in newly regulated online markets. In February 2024, Playtech also announced that it won the tender via a rigorous public procurement process to become the partner for Live Casino for Veikkaus, the Finnish state-owned and monopoly operator.

We are also growing our Live Casino infrastructure in Europe. Extensions to facilities in Romania and the Netherlands were completed in 2023, with the Les Ambassadeurs casino extension in the UK completed in early 2024, illustrating the growing demand across the segment.

France saw regulatory developments in 2023, with discussions about the regulation of the online casino market taking place with various key French stakeholders. At present, only poker, sports betting and horse race betting are regulated within the online sector, so the regulation of online casino would be a positive for Playtech, particularly as we have multiple customers already using our poker product.

UK

UK revenue in 2023 was flat (1% growth on a constant currency basis) compared to 2022 despite the impact of increased regulation.

Having called for evidence as part of its review into existing gambling laws, the UK Government set out its conclusions and proposals for reform in a White Paper, published in April 2023.

Currently, there is still some uncertainty about the impact of each of the Government's proposals on the industry. Whilst the Government has announced the introduction of stake limits for online slot games (£2 maximum stake for 18–24 year olds and £5 for all other customers), several other proposals are still subject to consultation or pending the publication of consultation responses. The introduction of Financial Risk Assessments (often referred to as "affordability checks"), which must be completed once customers have reached a defined loss level, are subject to the most uncertainty in terms of impact. Until the specifics of any measures that will be implemented and the precise mechanics required to adhere to them are known, it is difficult to assess the overall impact.

Chief Executive Officer's review continued

B2B continued

Core B2B continued

Regulated markets continued

UK continued

The UK remains an important market for Playtech and its customers, as well as being one of the largest and most mature regulated markets in the world. Playtech is already working with customers that took pre-emptive measures in advance of the publication of the White Paper and is committed to supporting its remaining clients as the proposals come into force.

Playtech is uniquely advantaged given its market-leading technology and data, which put safety and responsible gambling at the centre of everything. The Company remains heavily involved in discussions around safer game design and will continue to be following this next wave of regulation. This should further cement Playtech's reputation as the go-to platform for regulated markets.

Unregulated

The Group's strategy to focus on both regulated and regulating markets includes unregulated markets which are likely to regulate in the future. Revenue from these unregulated markets was down 19% (-17% on a constant currency basis) versus 2022, with underlying growth in Brazil more than offset by a decline in Asia, Canada and South Africa.

Asia saw revenue declines compared to 2022 due to continued pressures in the region. In Canada, Ontario transitioned to being regulated and, as a result, some revenue has shifted to regulated markets while other operators have reduced their exposure to the Canadian market. As regulation progresses across Canada, it will continue to add to the size of the North American market opportunity.

The Company is also excited about the potential of the South African market as it takes steps towards regulating. At present, it is a nascent but fast-growing market, which permits sports betting and Live Casino and Playtech launched Casino and Live products with TsogoSun at the end of 2022.

> **"I am pleased we have continued to make progress in all areas relating to sustainability including safer gambling, diversity and climate change."**

B2B – driving growth through innovation

SaaS

As part of our strategy to grow B2B revenue by €200–€250 million in the medium term, Playtech is also looking to diversify its revenue base through the SaaS business model, which targets the long tail of providers that don't have access to PAM+. At the FY 2022 results, we announced a medium-term SaaS revenue target of €60 million–€80 million, and we are pleased to report that we are making very good progress towards achieving this target, with the SaaS business seeing revenue growth of more than 50% in 2023 versus 2022.

We target growth by looking to increase our wallet share with existing brands on our SaaS platform, as well as attracting new customers in both regulated and regulating markets. Playtech launched over 100 brands in the period, with notable progress in the US as Rush Street Interactive launched in Michigan and New Jersey. We now have more than 450 brands live since the launch of our SaaS model in 2019.

As the SaaS model provides a low friction method of exposing operators to Playtech's content, we have the ability to cross and upsell other Playtech products over time. Meanwhile, a broad range of customers from multiple countries across different product sets means our revenue base is more diversified, ensuring our B2B revenues are more resilient to any changes in our operating environment.

Product developments

Online gaming has undergone significant change in recent years. The combination of Playtech's strong technology, content offering and market-leading position means we are well placed to cater to the ever-increasing demand to deliver new, engaging and immersive entertainment experiences for consumers. In August 2023, Playtech announced the launch of Jumanji™ The Bonus Level Live, a new game within Live that combines cutting-edge technology with the cinematic qualities of the famous movie. Following a complex development process, Jumanji™ The Bonus Level Live is the first-ever Live game inspired by a Hollywood blockbuster, marking a key milestone in the gaming industry.

Playtech has a long history of launching branded content, and the continued demand for themed games inspired the launch of Breaking Bad™: Cash Collect & Link™ in December 2023 within Casino. The game features all the show's key talent and is part of Playtech's award-winning Cash Collect™ suite. Another exclusively licensed branded game from the Cash Collect™ power suite is Gold Rush™, which has been particularly noteworthy as it achieved the fastest return on investment in the history of Playtech Casino for branded games, breaking even just two months after launch.

In July 2023, Playtech also announced the launch of Big Bad Wolf Live, an innovative experience that combines a slot game with elements of a Live experience, released from Quickspin Live, the RNG arm of our Live division. The game, which stands apart due to its artwork and unique features, sets a new industry standard for Live Casino gaming. Having signed the exclusive US rights to Family Feud (®/© Fremantle), one of US television's longest-running and highest rated gameshows, Playtech expects to launch a gameshow next year. Within Live, there were also developments rolled out to update the in-house video technology.

Finally, we were delighted that Playtech's Live product was recognised as a leading solution in the industry, winning the EGR Live supplier of the year for 2023, acknowledging the achievements of its extremely talented team.

B2C

Playtech's B2C business spans Snaitech, HAPPYBET, and Sun Bingo and Other B2C operations. Overall B2C revenues grew 5% to €1,037.0 million (2022: €983.1 million). Adjusted EBITDA grew 6%, rising to €250.3 million (2022: €235.2 million).

Snaitech

Revenue from Snaitech in Italy increased by 5% compared to 2022, while Adjusted EBITDA also grew 5% versus 2022. This overall performance saw differing dynamics across the period, with a very strong start to the year driven by pent-up demand following the football World Cup, whilst being partly offset by customer-friendly sporting results in the second half of the year. The retail segment saw revenue and Adjusted EBITDA growth of 4% and 6% versus 2022, respectively, and the online business saw revenue and Adjusted EBITDA growth of 8% and 4% versus 2022, respectively.

Retail betting sales were up 15% versus 2022, driven by a strong performance in the first half of the year as customers returned to betting shops after the football World Cup in the final quarter of 2022 (Italy was absent from the tournament). This was partly offset in the second half of the year due to the impact of customer-friendly sporting results in September and October, as has been well flagged by peers across the industry. Gaming machines revenue was flat versus 2022 as this business normalises post-pandemic. At the Adjusted EBITDA level, retail margins expanded 30 bps versus 2022, with operating leverage on strong revenue growth in H1 2023 partly offset by the impact of customer-friendly sporting results in H2 2023.

The online business followed a similar pattern, seeing strong growth in the first half of the year led by good performances across sports betting and casino. The second half of the year saw customer-friendly sporting results impact both revenues and EBITDA margins. The underlying performance of the online segment remains healthy. The underpenetration of this segment continues to be a structural tailwind for the business, with Snaitech well placed to benefit given the strength of the brand, the continuous improvements to apps and technology and a broadening of its content offering.

As announced at the time of our interim results in September 2023, Snaitech last year acquired Giove Group, a well-established betting operator in the Puglia region (southern Italy), the integration of which has now been completed. Giove holds licences for both retail betting and online and directly manages 18 betting shops. The acquisition, while small, illustrates the appetite to grow the Snaitech business in Italy.

In 2023, the Snai brand was ranked number one in sports betting (retail and online combined, as measured by GGR), which is a testament to its consistently strong operational performance and unique brand identity.

HAPPYBET
HAPPYBET revenues were down 9% in 2023 compared to 2022, driven by a rationalisation of retail sites in Germany. Adjusted EBITDA losses narrowed to €9.8 million in 2023, when excluding a €2 million historical litigation settlement expense. Including the historical litigation settlement, Adjusted EBITDA saw a loss of €11.8 million (2022: €-10.8 million).

The Snaitech management team has taken on responsibility for HAPPYBET and we are seeing early signs of improvement across the retail and the online segments. Within retail, less profitable stores have been rationalised in Germany with plans to open new shops in 2024 underway. In online, work on optimisation of the player bonus policy and improvements in the approach to risk and trading around the sportsbook are ongoing.

Sun Bingo and Other B2C
Sun Bingo and Other B2C saw 12% revenue growth in 2023 to reach €73.4 million (2022: €65.3 million) while Adjusted EBITDA grew to €6.0 million, up from €2.0 million in 2022. The primary reasons for the improvement in performance were the increased marketing spend at the end of 2022 around the time of the football World Cup, resulting in higher revenue growth in 2023 at a high contribution margin, in addition to more effective marketing spend throughout 2023 and higher retention of customers due to improved product user experience.

Responsible business and sustainability

In 2023, we continued to execute against our five-year sustainability strategy. I am both proud and pleased to be able to report progress across all our commitments.

- We strengthened our portfolio of safer gambling technology and solutions under Playtech Protect with the development of personalised responsible gambling journeys to help operators enhance safer gambling interactions with their players. Playtech was also awarded the Advanced Level Three of the GamCare B2B Safer Gambling Standard – the highest possible level of award.
- In 2023, Playtech also made progress against its global target to reach 35% female representation in leadership positions by 2025. At the end of the year, Playtech reached 30% female representation amongst leadership positions as compared to 26% in 2022. In 2024, Playtech will continue to refine its understanding of gaps in female talent across the Group and take action to increase female retention.
- We initiated our net zero by 2040 plan, and in early 2024, the Science Based Targets initiative (SBTi) approved Playtech's near-term science-based emissions target, a 50.4% reduction in its Scope 1, 2 and 3 emissions by 2032. Playtech has also committed to set long-term emissions reduction targets with SBTi in line with reaching net zero by 2040.
- We supported a wide range of charitable and volunteering activities, exceeding our community target set for 2025 by the end of 2023, with over 160,000 people engaged through community investment and mental health programmes over the past three years.
- We are honoured to be included in the S&P Global Sustainability Yearbook 2024 for our sustainability efforts. By championing sustainability and operating responsibly, we continually strive to make a positive impact on our customers, colleagues, communities and the environment.
- In August 2023, we established a Global Employee Benevolent Fund to provide support to colleagues and their immediate families who may encounter unforeseen, severe, life-changing challenges.

Mor Weizer
Chief Executive Officer
26 March 2024

Market trends

Regulation, technology and online: where the market is heading

Playtech operates in a dynamic, fast changing environment and is well placed to take advantage of marketplace trends. This section examines our operating environment across four trends around regulation, sustainability, technology and the shift to online.

1) A super-cycle driven by a trend towards regulation

Regulation is the key driver of growth in the gambling industry

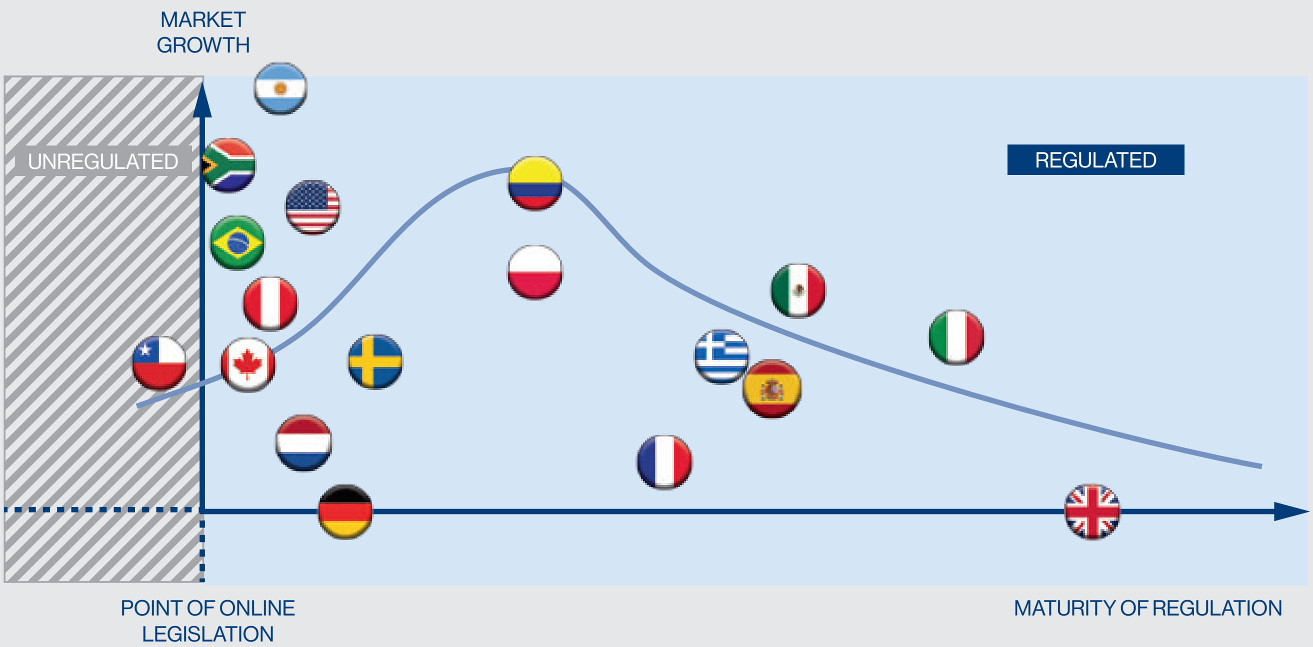
Regulation is the key driver of growth in the gambling industry. Those countries that become newly regulated tend to see strong growth early on, which is why it is crucial for operators and technology partners to build a presence in a country that is about to be regulated or is newly regulated. However, growth typically slows down after a certain period. This tends to be driven by three main factors. Firstly, there is increased competition as new players enter the market, causing pricing pressure. Secondly, as markets mature, they become saturated due to limited demographic growth. Thirdly, regulation typically becomes more stringent over time. For example, in the mature UK market, we have seen a tightening of rules on age and identity checks and a ban on gambling using credit cards.

Deviations from the broad shape of the curve are mainly attributable to the stringency of regulations in a country. For example, Spain has implemented strict restrictions on advertising for the gambling sector.

At this point in time, we are in an advantageous position in multiple countries across the world which are moving towards regulating gambling or have newly regulated the sector. In the next section, we assess each of the major regions in the world and how Playtech has positioned itself.

Evolution of online gambling market growth rates following online regulation

Online growth rates moderate as regulation matures



Source: H2GC and Playtech estimates.

US

State-by-state legislation in the US

The regulatory landscape in the US is ever progressing. Since the repeal of PASPA in 2018, numerous states have approved legislation to legalise sports betting. Many of these markets have already launched in both online and retail channels, with others expected to launch soon. In Florida, progress is being made in relation to mobile sports betting, enhancing the future prospects of the Company in the medium term given its landmark strategic partnership with Hard Rock Digital (HRD).

Online casino, which was not subject to PASPA, is allowed at the discretion of individual states. In 2023, Rhode Island was the only state to authorise online casino, taking the total number of regulated iGaming states to eight including Nevada (poker only). However, there are several states where iGaming legislation is being considered.

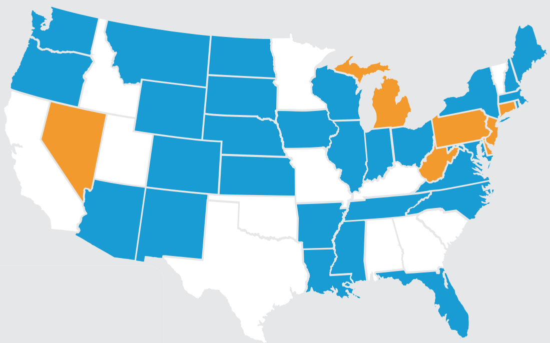
Latin America

A region trending towards regulation

Latin America has shown significant progress in regulating online gambling in recent years. The focus in 2023 has been on Brazil, which has now taken the crucial step towards regulation with the President signing in law new legislation for online and retail sports betting and online casino at the end of 2023 and industry expectations are for a launch at some point in 2024. Peru has recently enacted legislation and published online gambling regulations for sports betting and online gambling, which are expected to come into effect in 2024. Chile is also in the process of approving an online gambling bill, which was filed in March 2022 and is expected to pass in 2024. Elsewhere, in Argentina, the Santa Fe province should join already regulated Buenos Aires, Mendoza and Cordoba, after the Senate approved the Bill at the end of 2023.

Current US state-by-state regulatory landscape

Regulation is the biggest market driver in the short term



- States that offer only sports betting
- States that offer both sports betting and iGaming

Source: VIXIO.

Several countries in LatAm with large populations and GDP

Significant opportunity in LatAm

Country	Population	GDP ($ million)
Brazil	215,000,000	1,920,000
Mexico	128,000,000	1,466,000
Colombia	52,000,000	344,000
Argentina	46,000,000	631,000
Peru	34,000,000	243,000
Chile	20,000,000	301,000
Guatemala	17,000,000	95,000
Costa Rica	5,000,000	69,000
Panama	4,000,000	77,000

Source: Worldometer, World Bank.

Market trends continued

1) A super-cycle driven by a trend towards regulation continued

Europe

Europe – a mix of newly regulating and mature markets

The market in Europe is more nuanced than the Americas region. On the one hand, there are countries that are moving towards regulating their online market such as France and Germany, while others are mature but still have an underpenetrated online market, such as Italy and Spain. And finally, there is the UK, which is the most mature market of all with high online penetration rates.

Germany

Germany's regulated online gambling and sports betting market continues to expand as the number of licensed operators approaches 100 since the introduction of the regulatory framework in July 2021. Despite the notable progress, the operating environment remains challenging for regulated operators due to stringent rules and limited enforcement that encourages competition from off-shore operators. In 2023, licensed operators were increasingly vocal about the need to modernise the rules, that do not include online casino-type games, especially around the €1 cap per spin in online slot bets and €1,000 per month per player online deposit limit.

France

France saw regulatory developments in 2023, with discussions about the regulation of the online casino market taking place with various key French stakeholders. At present, only poker, sports betting and horse race betting are regulated within the online sector, so the regulation of online casino would be a positive for Playtech, particularly as we have multiple customers already taking our poker product.

UK

There continues to be some uncertainty around the impact of the White Paper on the industry. The proposals have not resulted in changes to legislation or regulation just yet, and are subject to consultation with various stakeholders, the timing of which is unclear. The introduction of Financial Risk Assessments (often referred to as 'affordability checks') which must be completed once customers have reached a defined loss level, are subject to the most uncertainty in terms of impact. The Government's White Paper recommendation that these checks be frictionless is positive, as is the Gambling Commission's commitment to pilot these checks first in order to ensure that they can be completed without friction. However, until the specifics of any measures that will be implemented and the precise mechanics required to adhere to them are known, it is difficult to assess the overall impact.

Asia

Asia remains broadly unregulated

Gambling is a very popular pastime in Asia, which possesses structural growth drivers such as a passion for sport, large populations and above average GDP growth, not dissimilar to the LatAm region. However, the majority of markets remain unregulated. Over the long term, we see Asia following a similar path as the Americas towards regulating the sector, but the visibility of this path remains unclear at the present time.

Asia is increasingly a smaller part of B2B

While there have been issues in Asia with currency controls and volatile government attitudes towards the gambling sector, it is becoming an increasingly smaller part of the business – 44% of B2B revenues in 2017 compared to less than 10% in 2023 driven by a combination of declining Asia revenues and accelerated growth in other regions and regulated markets.

Africa

The proliferation of regulated online gambling in Africa has been limited in the past due to unreliable and inconsistent digital infrastructure. However, in recent years, online penetration rate has increased notably to reach 48.2% in 2023.

South Africa: a large market with an established regulatory framework

South Africa represents one of the largest online gambling markets in Africa, valued at $1.1 billion GGR and projected to reach $2.9 billion by 2028 as per H2GC. The online sportsbook market is regulated with local licensing, whilst iGaming is only permitted in two provinces: Western Cape and Mpumalanga. Playtech has been actively exploring the South African market since 2022, establishing a presence via partnerships with key operators such as TsogoSun and Hollywood Bets.

2) Growing requirements to use data analytics for player protection

Safer gambling is a material ESG topic for the gambling industry. Both regulators and the gambling industry recognise the importance of developing safer gambling solutions, evaluating their effectiveness and helping support research that leads to the development of evidence-based regulation.

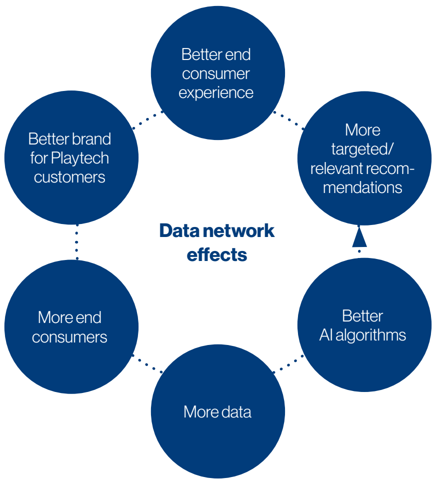
The development of tools and software, and new technologies, including the use of generative AI, is increasingly being used to provide new and innovative ways for the sector to ensure player safety.

3) Technology – multiple technologies about to hit mainstream adoption

Data and AI

Overview

The digitisation of the world is creating unimaginable amounts of data from all kinds of sources. More data is being generated every two years than in all of time before that point. However, the key to obtaining a competitive advantage is getting access to the right data sets and drawing insights from them. Those companies that are able to attract a large number of users gain access to the most data, which allows them to train their AI algorithms to give more accurate results. This in turn attracts more users, triggering data network effects that become difficult to compete against.



Impact on the industry/Playtech

The use of data to gain actionable insights into customers is a cornerstone of the online gaming industry. It facilitates:

- the delivery of a personalised experience for each user, thus increasing revenue per customer;
- new customers being acquired through intelligent marketing;
- players being verified and the detection of fraud; and
- tackling gambling addiction, encouraging a more responsible industry.

Given Playtech's sheer scale, it has access to vast amounts of data. Playtech is investing heavily in its AI capabilities, analytics, business intelligence (BI) and safer gambling tools to ensure that it makes use of this data to retain its competitive advantage and ensures a sustainable future for the industry.

Link to strategy

1 2 3 4 5 6

Virtual reality/ augmented reality

Overview

Augmented reality (AR) is focused on enhancing the real-world experience, with real-time, virtual information overlaying physical objects delivered through a device such as a headset or mobile phone. Virtual reality (VR) provides a completely immersive, computer-generated 3D environment that replaces the real world. With tech titans such as Apple and Meta releasing next generation headsets, we can expect to see significant, as yet unknown, new use cases arise within the gambling sector.

Impact on the industry/Playtech

- Should AR and VR gain broad adoption, they could be used to vastly improve the player experience.
- With VR, players will be able to engage with other players and experience walking the halls of a physical casino in the comfort of their own home.
- With AR, there is the ability to customise a player's experience in a physical casino, or within Live, to overlay real-time information on the video stream.
- Playtech has begun to incorporate some of these technologies in its offering. The Greatest Cards Show within Live has augmented reality features, while the Poker vertical has released customisable digital avatars.

Link to strategy

1 2 3 4 5 6

5G roll-out

Overview

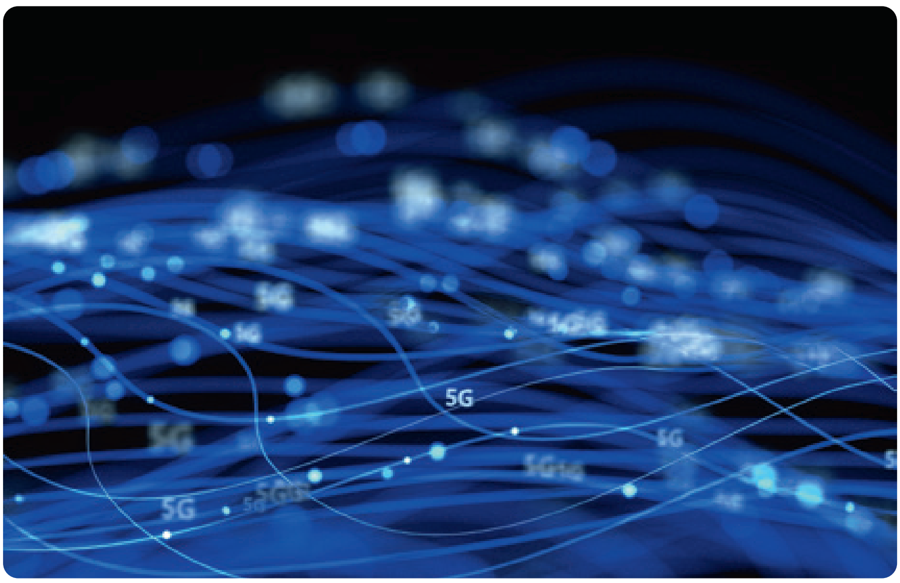
5G is the latest new global wireless standard and enables a new kind of network that is designed to connect everyone and everything together including machines, objects and devices. It is predicted to deliver much higher data speeds, ultra-low latency, more reliability, a big increase in network capacity and a more uniform experience to more users. These benefits can usher in new immersive experiences such as VR and AR.

Impact on the industry/Playtech

- 5G is an enabler of VR and AR technologies and thus helps to create games that are richer and more immersive than before.
- Video streaming of Live dealer games can be of a much greater quality with higher speeds and a more reliable network.
- In-game sports betting will benefit, particularly on mobile. Inside stadiums, more devices can be connected at once with reduced latency, thus enabling fans to place bets as they watch the game. Outside stadiums, 5G enables fans to simultaneously make bets and stream the game on their mobile phones.
- The low latency of 5G could help to facilitate more social iCasino games, as players will be able to enjoy real-time interactions with other players.

Link to strategy

1 2 3 4 5 6



Market trends continued

4) Shift to online continues, accelerated by the pandemic

Live

Overview

Live is an extremely attractive vertical that is expected to grow significantly over the coming years. This is driven by two major trends:

- Firstly, there is a shift to online from retail as the world digitises and this has accelerated due to the pandemic.
- Secondly, within online, there is a growing trend away from random number generation (RNG) towards Live, as players want more of an interactive, immersive experience. With the imminent launch of VR by tech companies such as Apple, we expect this shift to accelerate.

The combination of these drivers means industry analysts predict the Live market to reach $15.8 billion based on GGR by 2028, up from $7.9 billion in 2023, a CAGR of 15%.

Impact on the industry/Playtech

Playtech has already made significant investments to capitalise on this attractive product vertical:

- 12 studios are currently operational with Pennsylvania having opened at the end of 2023. A second studio in Peru was opened earlier this year and will help us to support growth within the attractive LatAm region, particularly Brazil.
- The number of tables has more than doubled over the past four years.
- Significant investment has been made to ensure we have the latest cutting-edge technology and access to great content such as Jumanji™ and Big Bad Wolf Live, two flagship games that were launched in 2023.

These investments have already been made, and the nature of the Live business model is such that additional players can be added to tables at minimal cost. This creates significant operating leverage and leads to Live being margin accretive to the overall B2B division.

Link to strategy

1 2 3 4 5 6

Underpenetrated online markets in Europe

Overview

The pandemic accelerated the shift towards online gambling as retail shops were closed during lockdown and customers, with plenty of time to pass, played online while at home. Given online penetration in 2023 has remained above 2019 levels for all major EU countries, with the exception of Spain, we think it is safe to conclude that the migration to online has remained sticky post pandemic.

There is ample scope for the migration to online to continue. Looking to the UK as an example of a mature market, online penetration in 2023 was 59%, far in excess of Spain, Italy and Germany.

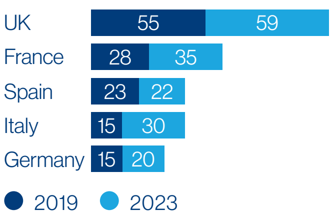
Impact on the industry/Playtech

Within the B2C division, Playtech is very well placed to continue to benefit from an underpenetrated online market in Europe. In Italy, Snaitech gives Playtech exposure to a large market where online penetration remains at 30%, far below the UK at 59%. In addition, the online business is higher margin and less capital intensive, meaning it generates higher return on capital employed. Aside from Italy, Playtech is also well placed in Germany with HAPPYBET, which possesses one of the few available online sports betting licences in Germany.

Within the B2B division, Playtech has a strong presence in Spain across Live, Casino and Sports, and is well positioned to take advantage of the continued shift to the online channel.

Several large European countries have an underpenetrated online market

Online penetration as % of GGR



Source: H2GC (includes betting and gaming and excludes lotteries).

Link to strategy

1 2 3 4 5 6

Sports

Overview

As the market shifts to online, the Sports segment is impacted by multiple trends:

- shift to in-play betting and micro betting with the types of bets becoming more granular and over a shorter time frame;
- convergence of sports betting, media streaming and social;
- emerging markets shifting towards embedded betting within streaming services; and
- more and more data sources being used to come up with sports betting odds such as fitness of players.

Impact on the industry/Playtech

- Our Sports offering is targeted at those areas where we see strategic benefits. One such region is LatAm, where many of the countries enjoy a rich sporting culture and we have made good progress in Mexico, Colombia and Panama.
- Our Betbuilder product, now available for football with other sports to follow, will be a focus of our Sports offering given the trend of shifting towards offering more granular types of bets.

Link to strategy

1 2 3 4 5 6

Market trends continued

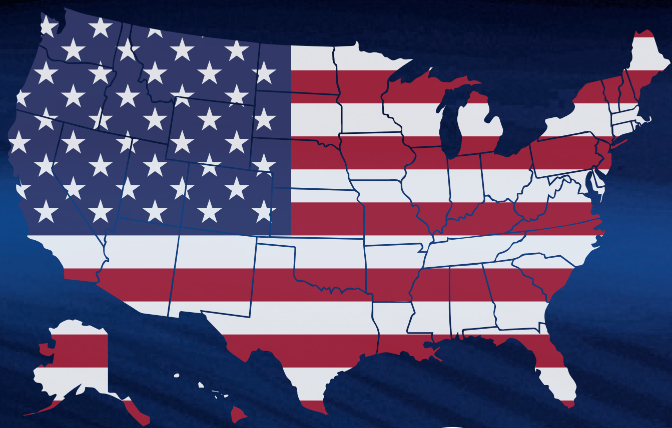
Americas: the land of opportunity

US

With a well-established presence in the US including three Live studios operational and multiple brands including Hard Rock Digital, Playtech is well placed to take advantage of the huge opportunity in the US market.

The opportunity

The United States of America is the world's largest online gambling market, which is projected to reach $41 billion in GGR by 2030. Regulation is the single biggest market driver in the short term, and Playtech continues to see positive legislative momentum in the US. Since the repeal of PASPA in 2018 more than 35 states have legalised online sports betting, whilst iGaming is currently regulated in eight states. According to industry forecasts, the online gambling market in the US will continue to display a strong growth profile with a CAGR of more than 20% in both sports betting and iGaming segments out to 2030.



$41bn

Size of the US market over the long term based on GGR

3

Live studios operational in the US

How we are exposed

Playtech recognises the unmissable growth opportunity offered by the US market and continues to proactively invest in the infrastructure and operational capabilities to accelerate the Group's presence. Our strategy centres around iGaming, where we have extensive experience and are recognised for our leading market content. Having signed agreements with multiple operators as well as a comprehensive structured agreement with Hard Rock Digital, we are well placed in the US. Our infrastructure includes three Live studios, and over 200 colleagues based in the US.

Canada

A growing market with attractive player economics, Canada is fast proving to be a key market for Playtech. With our comprehensive structured agreement with NorthStar, Playtech is well placed to benefit as states regulate in the coming years.

The opportunity

Canada is home to a rapidly growing online gambling market, which is projected to nearly double in size to $6 billion by 2028, driven by a favourable regulatory environment and attractive market economics. The industry is regulated on a province-by-province basis, with Ontario leading the way to become the first regulated province in April 2022. Total player value is showing impressive momentum, while ROI and cost-per-acquisition metrics are also trending favourably.

How we are exposed

Playtech is well placed to benefit from the on-going expansion of Canadian market via a comprehensive structured agreement with a prominent local operator NorthStar as well as more than 10 other operators and launched with FanDuel for Live in Ontario.

NORTHSTAR ★ BETS

$6bn

Size of the Canadian market over the long term based on GGR

Brazil

As this hugely attractive market continues to move towards regulating, Playtech is well positioned for success in the rapidly evolving Brazilian gambling market via its partnership with Galerabet and other B2B customers.

The opportunity

Brazil is a global economic powerhouse, is deeply passionate about sports and now home to one of the most exciting markets in gambling. Brazil's large population of 215 million and promising regulatory environment make it an exceptionally attractive market opportunity, with online sports betting and casino expected to reach $5 billion GGR in the next five years.

How we are exposed

Playtech is well positioned for success in the rapidly evolving Brazilian market via its partnership with Galerabet and several other B2B customers. In 2021, Playtech and Galerabet signed a structured agreement aiming to combine advanced gaming technology and expert knowledge of the local market in anticipation of the regulation in the Brazilian market. Galerabet is building a strong brand identity through sponsorship agreements with the prominent local sporting brands including the Brazilian Football Confederation and the Brazilian Basketball Confederation.

galera.bet

$5bn

Size of the Brazilian market over the long term based on GGR

Business model

Flexibility to capture every opportunity

B2B	Conventional	Structured agreement	SaaS
Services		✓	
Content	✓	✓	✓
Platform	✓	✓	
Clients	• Entain • Bet365 • Parx • Flutter • 888 • BetMGM	• Caliplay • Wplay • Galerabet • NorthStar	• Hollywoodbet • LeoVegas • Betway • Novibet • SkillOnNet • DOXXbet

How we work

Conventional model

Platform + content

The conventional model involves us providing the operator with a platform-based solution, underpinned by Playtech's leading Player Account Management + (PAM+) offering. The operator can then choose from a wide range of product verticals and content, including Live, Casino, Sports, Bingo and Poker.

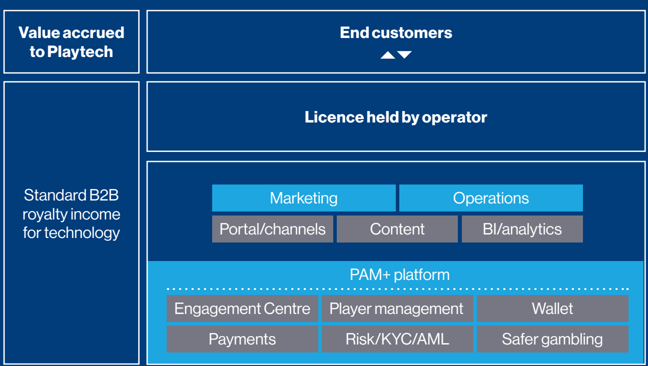
The operator, which holds the gambling licence, is typically responsible for building and maintaining its brand in addition to customer services and marketing. In exchange for providing the technology, Playtech employs a revenue share model with the operator.

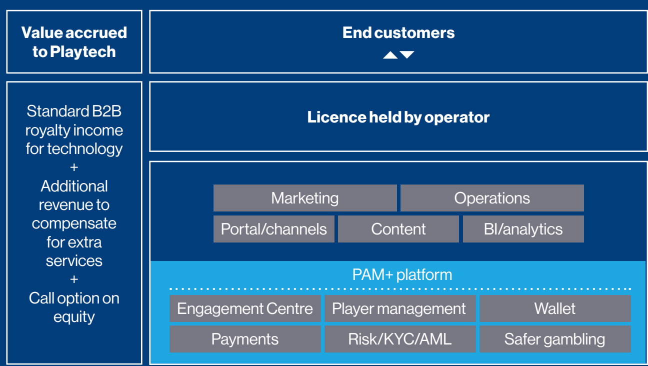
Structured agreements

Platform + content + services

We also partner with "local heroes" with a strong retail brand and presence but without the necessary technological expertise to succeed online. Under a structured agreement, we provide a platform-based solution as per a conventional model, in addition to a range of marketing and operational services, some of which are subcontracted out to a third party.

This model also involves a revenue share framework with the operator, with Playtech's share typically higher than in a conventional model to compensate for the provision of these additional services. Playtech also typically injects capital into these operators to help facilitate growth and in return receives an equity call option which can be exercised should the operator be acquired.





Playtech provides/subcontracted   Operator provides

SaaS

Content

For those operators that have their own platform, we also offer customers the ability to access our content, in a plug-and-play SaaS model. Operators benefit from low implementation costs and quick time to market, while Playtech is able to expand its addressable market and generates a recurring, monthly revenue stream at a higher margin.

B2C

Snaitech

Our B2C division is comprised primarily of Snaitech in Italy and HAPPYBET, the retail and online Sports B2C business in Austria and Germany. Both businesses are led and operated by the Snaitech management team.

Snaitech is a leading operator in the Italian betting and gaming market, and generates revenues from gaming machines, retail betting and online gambling. The business was acquired by Playtech in 2018, bringing together Playtech's leading technology stack with Snaitech's powerful brand and local expertise in one of Europe's largest gambling markets.

Retail

The retail betting business predominantly operates a franchise model with franchisees responsible for staff costs, rent and facilities, while Snaitech itself provides the licence, content, technology and brand.

The franchise model generates growth with relatively low capital intensity, generating high return on capital. Meanwhile, the value sharing agreement with franchisees is at the revenue level, meaning Snaitech is less affected by rising cost pressures.

The gaming machine segment predominantly consists of video lottery terminals (VLTs) and amusement with prizes (AWPs). Snaitech has a higher revenue share from VLTs but incurs the cost for content from operators, while for AWPs, the machine owner takes a higher revenue share but incurs the cost of hardware and content. Further detail is provided in the table below.

Retail	Players in value chain	Share of NGR	Responsibilities
Sports betting	Franchisee	50%–55%	Staff, rent and facilities
	Licence holder	45%–50%	Licence, brand, content, technology, trading and risk
Gaming machines	Platform/ machine owner	20%–25%	Machine installation and maintenance; hardware, software and content
	Location owner	50%–55%	Security, location costs and staff
	Licence holder	20%–30%	Licence

Online

The online business operates a direct-to-consumer model, with Snaitech paying a share of revenue to the retail franchisee owners should they sign up customers at their retail site or to affiliates which direct customers to Snaitech's online site. Platform and content costs, part of which are supplied by Playtech, are incurred by Snaitech.

Online	Players in value chain	Share of NGR	Responsibilities
Sports betting and casino	Platform and content owner	10%–15%	Platform and content
	Affiliates/retail sites	20%–25%	Customer acquisition
	Licence holder	60%–70%	Licence, tech, trading, risk and customer services

Business model continued

Our strengths

1 Unparalleled scale

Playtech has a vast reach, with over 180 licensees operating across more than 40 regulated markets and offices in 19 countries. Given this scale, the data, knowledge and expertise that Playtech leverages enable it to improve product design, develop cutting-edge safer gambling tools and support regulatory requirements of operators in various jurisdictions.

2 Award-winning technology

Playtech has a strong track record of innovation and content creation. Thanks to our scale, we're able to invest heavily in R&D and product-related innovations, allocating significantly more funds towards these efforts than our competitors. In fact, over the past five years alone, we've dedicated more than €720 million to support the development of our cutting-edge technological platform.

€720m

Amount invested in R&D over the last five years

3 Flexibility to cater to almost any operator

Playtech's comprehensive B2B technology offering covers the entire gambling value chain with all products integrated into the PAM+ platform. Playtech also boasts one of the industry's broadest content portfolios, available even without having to deploy PAM+, as well as access to third-party content via Playtech Open Platform (POP).

4 Leader in highly attractive Italian market

Playtech's Italian B2C business, Snaitech, is a market leader in the lucrative Italian market. The online segment has seen significant growth at a CAGR of 20% between 2019 and 2023, yet it remains less developed than retail, with online penetration at only 30% (versus 59% in the UK). Snaitech's leading brand and retail presence in Italy, combined with Playtech's technology expertise, make it ideally positioned to continue capturing this market opportunity.

€17bn

Size of Italian retail and online market in 2023 (GGR)

5 Our incredible people

Playtech's people are truly exceptional. They are talented, dedicated and passionate about their work. They invest their time and expertise in the Company. In return, Playtech provides a fun, creative, rewarding and inspiring working environment. We constantly invest in and reward our talent, which has helped us to become the world's leading gaming business, employing over 7,700 people across offices in 19 countries.

6 Focus on sustainability

At Playtech, we are committed to growing our business in a way that has a positive impact on our people, our communities, the environment and our industry. Advancing safer gambling and player protection technology is a key priority. Through our safer products, data analytics and player engagement solutions, we are keeping players safe and helping our licensees succeed in regulated and fast-moving markets.

Supporting our stakeholders

For customers

€163m
Amount invested in cash R&D including safer gambling initiatives

76m
Number of poker tournaments

For employees

>7,700
Colleagues

>250
Number of wellbeing initiatives

For society and the environment

>110
Number of charities and community organisations supported

38.6%
Reduction in CO_2 emission since baseline 2018

For shareholders

€383m[1]
Adjusted operating cash flow

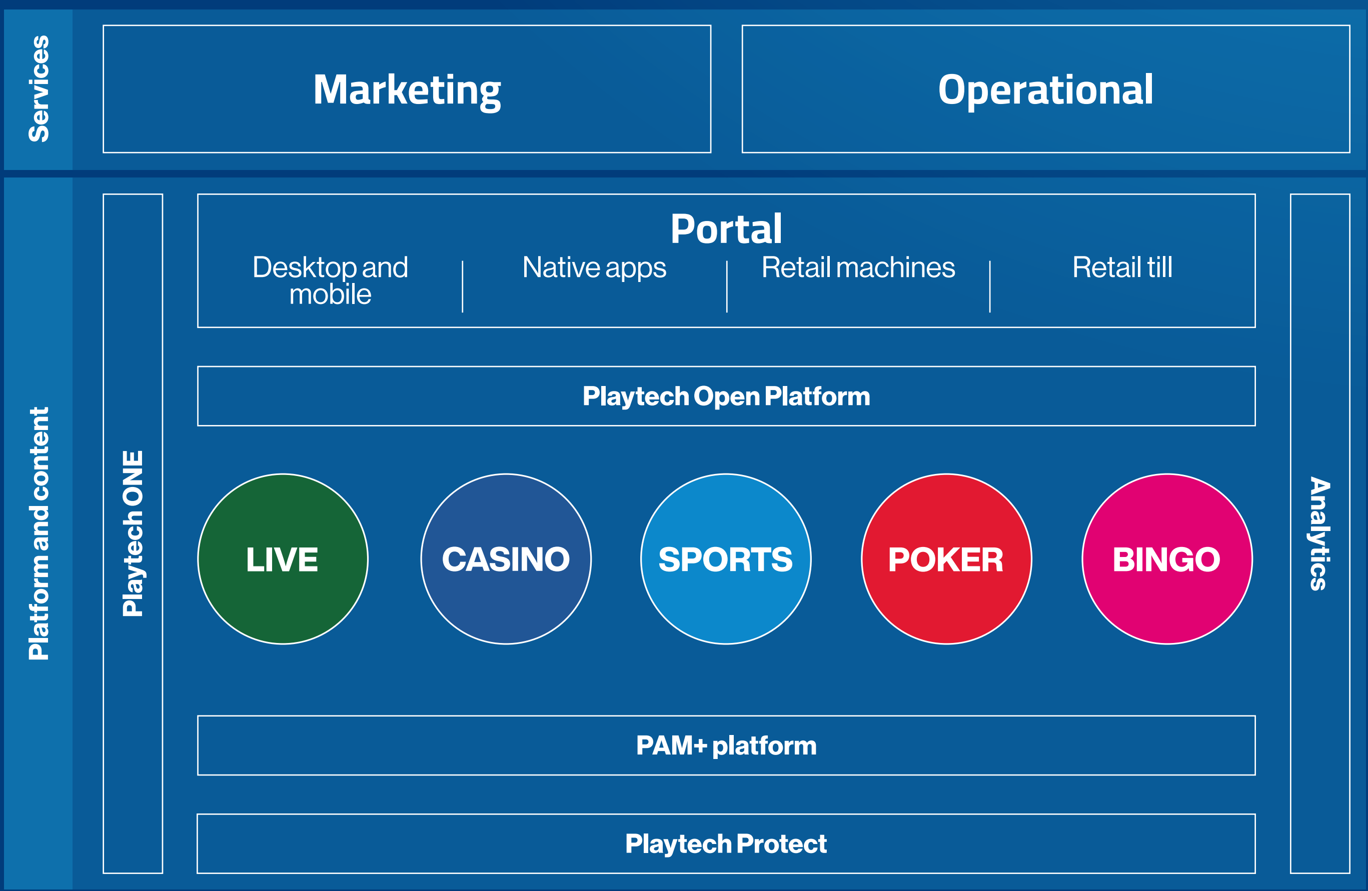
44
Point improvement in S&P Global Corporate Sustainability Assessment since 2020

1 Adjusting for changes in jackpot balances, security deposits and client funds, professional fees and ADM security deposit.

Product and innovation

Providing market-leading solutions through Playtech's bespoke technology

Through our proprietary technology solution, Playtech has pioneered omni-channel gambling technology which provides an integrated and open platform across retail and online for all key verticals, delivering a safe and seamless customer experience.



Playtech's bespoke end-to-end technology platform is built with four key aims at its heart

Playtech was the original pioneer of the end-to-end technology offering we see across the gaming industries today. Even in the face of established and emerging competition, and the prolific creation of new content and technologies, Playtech remains a major player due to the breadth of its offering and the scale of its customer base.

In response to these challenges, Playtech is building the next generation of products to bring new types of experiences to market across its verticals, including Live and Casino. Through continued investment in technologies and expertise, Playtech gives its licensees a unique and bespoke end-to-end service, with a scale that is unmatched in the industry. Playtech remains committed to investing in technology across the entire business, from sports betting to poker, knowing that valued partnerships are based on trusted technology. Our end-to-end technology offering is underpinned by the four key pillars below.

End-to-end technology

Unparalleled breadth

Playtech has been delivering pioneering online gaming technology to operators for over 20 years. In that time, we have built a breadth of experience and expertise alongside the most diverse technology and content offering across gambling verticals.

Example:
BetBuddy is now fully integrated into our Player Account Management+ platform providing an innovative capability to apply personalised responsible gambling tools on an individual player basis based on dynamically calculated risk levels.

Agility and accessibility

Our award-winning platform, the Player Account Management + (PAM+), showcases Playtech's technological edge by utilising modular structure to achieve best-in-class customisation and scalability. PAM+ allows operators to have full visibility and control of the entire player lifecycle from one centralised point for all operational needs.

Example:
In 2023, we launched key player activity timelines, a visual display for key player events to help licensees quickly identify potential issues or behaviour patterns, reducing analysis and resolution time.

Safety and security

Playtech's valued partnerships rely on the trusted technology and security infrastructure that is safeguarded and protected. As a result, we are continuously investing in security and privacy initiatives. We have allocated £720 million into R&D expenditure as part of our operations since 2019.

Example:
With connectivity lines stretching from Brazil to Canada and data centres covering over 50 locations, we're redesigning and modernising our entire infrastructure to bring networks closer to our partners.

Data-driven innovation

Data continuous to play a central role in our decision making and innovation process. We actively utilise our superior data-driven insights, analytics capabilities and artificial intelligence to drive innovation.

Example:
Our central cloud data platform gives operators access to in-depth analytics and benchmarked KPIs to customise, reshape and refine their data insights to enable operators to assess and improve various areas of their business.

Platform

PAM+

Our offering

Playtech's Player Account Management + (PAM+) is the power behind Playtech's products, providing all the tools necessary to successfully run and manage every aspect of a licensee's business.

PAM+ enables licensees to access all elements of Playtech's unique omni-channel capabilities allowing players to seamlessly transition across content verticals via a single account and single wallet, while providing operators with simple third-party integration and full visibility and control of the entire player lifecycle. PAM+ unifies Playtech products across all channels, including retail, presenting operators with a single account overview and allowing them to streamline and optimise marketing spend, maximise cross-sell and conversion potential, leverage player loyalty and value and increase revenues by utilising data and automating key aspects of the player journey. The below graphic describes the key elements that sit within the PAM+ platform.

239 billion

Wallet transactions processed in PAM+ in 2023

2023 highlights

- Launch of player activity timeline, a visual display for key player events at a glance, to help licensees quickly identify potential issues or behaviour patterns, reducing analysis and resolution time.
- Free Spins 2, a new upgrade to our Free Spins bonus system, was launched. Licensees now have the option to regulate the value of free spins sent to players, who can then choose one of the possible combinations of the number of free spins and their value.
- Report Viewer 3 brought a modern intuitive UI with improved accessibility, report/configuration search, and new functionalities that make the overall reporting experience smoother.
- Integration with checkin.com was implemented for optimised player onboarding and verification.
- In response to new reporting, regulatory and responsible gambling requirements in the Netherlands and Spain, we made several changes to ensure compliance.

Sitting within the PAM+ platform

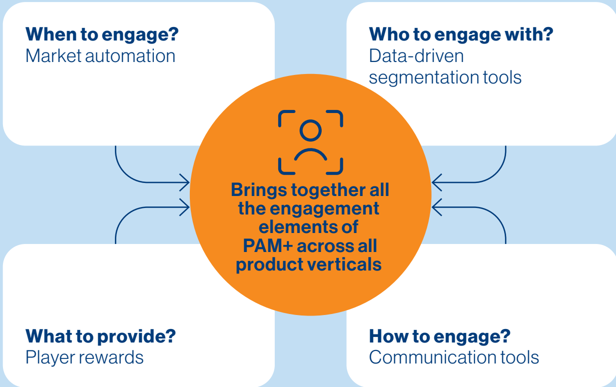
Engagement Centre

Part of the PAM+ platform, the Engagement Centre brings together Playtech's entire CRM toolset, some of the industry's most sophisticated player personalisation and communication products, designed to enable operators to engage with players as effectively as possible throughout the entire lifecycle. The Engagement Centre is also integrated with our Playtech Protect platform, creating opportunities for bespoke safer gambling messages and interactions.

2023 highlights

- In a major milestone, Sportsbook was integrated with Player Journey to take full advantage of Playtech's engagement tools for Sports customers and increase the value of Playtech's PAM+ platform. Licensees can now create cross-sell journeys, leaderboards and Missions promotions based on a wide variety of sports-based parameters, including in-play bets and different bet types and markets, and players can be rewarded with sports bonuses and free bets.
- Introduction of Missions, a new promotion type that challenges players to complete various tasks in exchange for rewards. The tasks can range from playing a specific game to betting a certain amount, or hitting a big win, while the rewards can be bonuses, free spins or even real prizes. Missions can be configured to reward players for actions taken across Playtech products including Casino, Live Casino and Sports, or external licensee events, thereby increasing operators' ability to cross sell.

Playtech Engagement Centre



25%

Increase in new licensees using leaderboards (including Missions) in 2023 versus 2022

106%

Growth in average daily engagement campaigns across the platform

Safer gambling

Our offering

BetBuddy is our ground-breaking responsible gambling (RG) analytics platform, built around data mining and predictive analytics.

It combines the latest research into gambling behaviour patterns with the power of artificial intelligence, delivering a sophisticated solution to proactively identify and engage with players who might be at risk. BetBuddy has a strong academic curriculum, with over 60 peer-reviewed papers and conference presentations, focused on gambling harms, safer product design and AI.

BetBuddy segments players according to customisable criteria and tags them for clear differentiation. Thanks to these tags, operators can build Player Journeys, which enable personalised safer gambling interactions, both via automatic in-play messages and person-to-person conversations.

playtech protect

Highlights in 2023

- BetBuddy has expanded into three new jurisdictions in 2023, having been adopted by clients in Sweden, Italy and Rest of Canada. At present BetBuddy is integrated across 9 jurisdictions and 16 brands.
- BetBuddy is now fully integrated into our PAM+platform providing an innovative capability to apply personalised responsible gambling tools on an individual player basis based on dynamically calculated risk levels. The information is displayed in a user-friendly Power BI dashboard format providing a comprehensive overview of each player's RG status and a snapshot of the RG limits usage.
- Work has begun on the third iteration of BetBuddy (v 3.0), which promises to deliver even more exciting features, including improved segmentation tools, a dedicated sports betting model, and a holistic single customer view. The update also includes a new risk assessment model capable of calculating real-time RG risk scores. This enhancement is currently operational across seven brands in two jurisdictions and has received outstanding feedback from operators.

Product and innovation continued

Content

Playtech has one of the broadest content portfolios in the gambling industry with a huge array of options across the industry's most popular product verticals. The next section outlines Playtech's offerings across our five main verticals along with highlights in what has been an exciting year.

playtech LIVE

Our offering

Playtech's Live technology brings the real-life casino experience to the online environment. Live casino games, hosted by dealers in specially designed studios, are streamed online, where players can place bets on their computers and communicate with the dealer using the chat function.

We're dedicated to delivering the most authentic and engaging omni-channel Live experience for our partners, driven by a cutting-edge platform using the latest business intelligence data-driven technology.

Our 12 state-of-the-art studio spaces in key markets worldwide are home to industry-leading audio-visual technology, combining networked tables and games with bespoke space for several tier one licensees.

Our extensive, entertainment-driven Live content offering, hosted by native-speaking dealers and presenters, ranges from casino classics such as Blackjack, Baccarat and Roulette, to innovative variants and gameshow-style content, including Adventures Beyond Wonderland Live, The Greatest Cards Show, K-Pop Roulette, Everybody's Jackpot Live, Quantum Blackjack, Buffalo Blitz™ Live Slot and others.

2023 highlights

- In 2023, Playtech's Live vertical exhibited a strong growth trajectory, driven by diversification of content and significant expansion of studio space.
- In the year, we expanded our flagship games portfolio to include popular brands such as Jumanji™, whilst also extending the hugely popular Mega Fire Blaze™ franchise to include Mega Fire Blaze™ Blackjack Live and Mega Fire Blaze™ Lucky Ball. We also launched Big Bad Wolf Live, an innovative experience that combines a slot game with elements of a Live experience, released from Quickspin Live, the RNG arm of our Live division.
- Continuing to invest in branded content, the Company signed the exclusive US rights to Family Feud (®/© Fremantle), one of US television's longest-running and highest rated gameshows, and expects to launch a gameshow next year.
- We've also continued to develop our proprietary in-house video technology and encoders to deploy high quality video features and work has begun on a third generation video delivery platform. Playtech's Live product has been recognised as a leading solution in the industry, winning the EGR Live supplier of the year for 2023, acknowledging the achievements of its extremely talented team.

- Expansion of our studio capacity continues to remain a priority. A new studio was opened in Pennsylvania, US, as well as a second one in Lima, Peru, thus ensuring we can take advantage of the strong growth within the Americas region.

3

Number of Live US studios fully operational

playtech CASINO

Our offering

Playtech Casino offers one of the industry's most extensive range of "game of chance" based online slot games, delivering over 1,100 innovative in-house and premium branded titles through online or retail channels.

Major original brands include Cash Collect™, Age of the Gods™, Fire Blaze™ and the Blitz™ suite, while our range of exclusive film, sport and entertainment tie-ins includes the Sporting Legends™ series, plus titles from major Hollywood studios such as MGM, Universal, Paramount and AMC. With eight distinct global studios developing content under the Playtech umbrella, we offer an extensive selection of games to suit a range of demands. In-game engagement tools such as leaderboards, Mystery Parcels and engagement games empower licensees to increase player engagement through gamification.

We give customers the tools to build native apps that are iOS compatible by using a Software Development Kit (SDK) without the need for any additional software developers. The native SDK offers fast, straightforward game integration, allowing operators to incorporate Playtech Casino games directly into their app for delivery to the App Store, incredibly important for cross-sell activities between Sports and Casino.

2023 highlights

- In 2023, the Playtech Casino vertical reached new heights of success, thanks, in part, to our ongoing commitment to the "Power Suite" strategy. This approach combines the most advanced slot design and mechanics with a unique narrative, appearance and feel designed to captivate players and establish a strong brand identity.
- In 2023, we launched 65 new games including Dragon Bonanza, a highly popular fantasy slot game that combines distinctive design with attractive prize mechanics. Branded content was also launched, with a highlight being a new brand partnership with Sony to release a new Cash Collect™ slot game based on the iconic TV series Breaking Bad™, as well as Rocky™, a fast-paced feature action game starring Rocky's three greatest opponents – Apollo Creed, Clubber Lang and Ivan Drago.
- Aside from content, Playtech has rolled out several features, including Missions, a new promotional feature in Casino strengthening the platform capabilities, and free spins 2, a long-awaited upgrade to Playtech's offering allowing licensees to give players even more flexibility with how they use their free spins. These high-quality roll-outs have helped to increase the level of our feature adoption with tier 1 customers, with Holland Casino, Bet365 and Sky all using these features.

Product and innovation continued

Purpose-driven content: changing the way people experience gambling entertainment

As online gaming evolves, Playtech continues to satisfy the ever-increasing demand to deliver new, engaging and immersive entertainment experiences for consumers.

Continued investment in branded content

Live: Jumanji™ The Bonus Level

Launched in August 2023, Jumanji™ The Bonus Level combines cutting-edge technology with the cinematic qualities of the famous movie. Following a complex development process, Jumanji™ The Bonus Level is the first-ever Live game inspired by a Hollywood blockbuster, marking a key milestone in the gaming industry. This game is housed in a studio designed to immerse players in the world of Jumanji. The studio's attention to detail ensures that the game replicates the authenticity of the original movie, delivering a 24/7 theme park-like experience.

Casino: Rocky™

Playtech's latest Rocky™ game was launched in 2023, delivering a fast-paced feature action with an innovative 25-reel main game and six features to play - one for each Rocky movie. The game stars Rocky's three greatest opponents – Apollo Creed, Clubber Lang and Ivan Drago – and the gameplay variety packs a punch, providing entertainment value for players.

A feature bonanza

Casino: Dragon Bonanza: Gold Hit™

Dragon Bonanza, Playtech's third Gold Hit™ game, utilises our revamped respins feature and incorporates our latest promotional tool, Missions, to drive player engagement, both of which have been extremely well received by operators.

Cash Collect™ reaching new heights

Casino: Gold Rush™: Cash Collect™

The success of Gold Rush™, an exclusively licensed branded game from Playtech's Cash Collect™ power suite, has been particularly noteworthy, as it achieved the fastest return on investment for a branded game in the history of Playtech Casino, breaking even just after two months post launch, compared to the traditional breakeven timeframe of six months.

2 months

Breakeven period: fastest ever payback period for branded game in Playtech Casino's history

Casino: Breaking Bad™: Cash Collect & Link™

Breaking Bad™: Cash Collect & Link™, launched in December 2023, features all the show's key talent and is part of Playtech's award-winning Cash Collect™ suite, which already includes successful branded games based on The Walking Dead™ and the popular reality show Gold Rush™. Cash Collect & Link™ is a new twist on the original suite format, with Mega Link symbols creating major win potential in the Hold & Respin round.

Combining the best elements of Live and RNG

Live: Big Bad Wolf

Big Bad Wolf Live is an innovative experience that combines a slot game with elements of a Live experience, released in 2023 from Quickspin Live, the RNG arm of our Live division. The meticulous attention to detail, pristine art and many exciting gameplay features will keep players on the edge of their seats, and sets a new industry standard for Live Casino gaming.

Product and innovation continued

Content continued

Playtech SPORTS

Our offering

Playtech Sports delivers a full range of sports betting technology, managed trading services, self-service betting terminals (SSBTs), kiosks and over-the-counter systems, catering to online operators and traditional retail/betting shop businesses of all sizes in major regulated markets worldwide.

Playtech Sports boasts a wide distribution, with around 620 million sports bets placed via our technology on more than 580,000 real events in 2023, which makes us one of the largest B2B Sportsbook providers in the world. Including Snaitech, Playtech has c. 70,000 bet entry points live in retail locations worldwide, including kiosks, SSBTs, traditional over-the-counter (OTC) offerings and space-saving devices such as compact terminals and tablets, designed especially for smaller venues. Our shop TV solution also allows operators to display the latest odds for any sport and promote specific events.

2023 highlights

- Playtech's Sports vertical made good progress in 2023, building on the product modernisation initiative carried out in the previous year. We successfully migrated Galerabet from its previous platform onto our Sports product, positioning us well in the emerging Brazilian market, where the sports betting total addressable market is projected to reach $3 billion in the next five years. Aside from Brazil, we are particularly strong in Latin America, where we continue to benefit from the success of our structured agreements with Caliplay in Mexico, Wplay in Colombia and Betcha in Panama.
- In Canada, we launched with NorthStar outside of Ontario to ensure it is well placed to benefit as the Canadian market regulates over the coming years. South Africa remains a priority for 2024 and beyond, given the sizeable opportunity as this market opens up.
- From a product perspective, we have made good progress in adding features that are more tailored to the US market such as Bet Builder and Same Game Parlay for NFL, while also broadening our offering of US sports to now include even more player props and micro markets. Our Sports product is now integrated with player journey within the PAM+, allowing operators to deliver a more personalised experience to their players, leading to higher engagement and stronger retention.

Playtech POKER

Our offering

Playtech's Poker product features everything licensees need to launch their own fully branded, customisable online poker rooms, with multiple game types, table stakes and tournament buy-ins.

All iPoker networks, for international as well as ringfenced regulated markets, offer great liquidity pools and attracted an average of 450,000 players a month during 2023. Marketing and engagement tools such as Missions, leaderboards and integrated player rewards are central to an evolving "gamified" experience, in line with our strategy to appeal to a wider demographic with long-term potential.

2023 highlights

- Playtech's Poker vertical has continued its record-breaking spree in 2023 following the strong performance of the online poker market post the COVID-19 pandemic. Three new operators joined Playtech throughout the year resulting in a 32% year-on-year increase in the average number of players per month.
- To support our growth, we continuously strive for product innovation across game features, promotions and ancillary activities. In 2023, we launched Mystery Bounty Tournaments, a highly popular modification designed to add an extra dose of surprise by offering generous hidden prizes for elimination of opponents. Additionally, we introduced Poker Bingo, a fun and engaging side game that presents players with greater opportunities to win rewards without making additional bets. To top it off, Playtech now offers embedded poker tools to track key player statistics, available to all players free of charge.
- In 2023, we have taken player experience to the next level by relaunching our iPoker native mobile app. The revamped app offers an innovative new look and feel, which introduces more promotional space, interactive interfaces, and a wide range of customisable image effects and animations.

Our offering

Playtech's innovative omni-channel Bingo solution offers players a consistent and streamlined experience across any device or platform, including retail, all through a single wallet and a single account.

Our UK bingo network consists of more than 19 brands and manages 57,000 daily players and close to 18,000 daily concurrent players.

2023 highlights

- In 2023, amidst a challenging market, Playtech has focused on modernising and relaunching its Bingo product. The latest update, due to launch in early 2024, has greatly improved the client interface and customisation features. The renewed design, supported by a modernised tech stack and a new front-end interface, now offers a more vibrant and engaging user experience, positioning the product to appeal to a wider audience.
- The new platform not only benefits end users, but also greatly accelerates product development and enables the rapid launch of innovative marketing features such as jackpot escalations and chained promotions. By leveraging these tools, along with the new lobby banners, operators can attract and engage players more effectively.

As a result of these improvements, we have observed an increase in the level of interest shown by our existing and prospective clients. We have renewed our agreement with Buzz Bingo, extended our contract with Sky Bingo, and secured an agreement with a major Dutch operator, NLO. Armed with a revamped Bingo product, we are now in a good position to capitalise on growth opportunities in key regions such as the US and Latin America.

2023 saw a record Bingo game with

c.23,000

users and

c.1,100,000

tickets sold

AI and data

Business intelligence technology (BIT) and artificial intelligence (AI) provide powerful insights

Playtech's new cloud data platform allows data analytics and insights in all domains from product and cross- product KPIs to player behavioural analytics.

This new data platform embodies a data mesh architecture allowing all Playtech products and units to unify their data onto a single platform, bringing efficiency and capability improvements whilst enabling new cross-product analysis and insights.

Our data democracy vision starts with putting the right data into the hands of Playtech staff, but then swiftly moves to providing this same data and analysis to our customers. This provides not just comprehensive KPI dashboards (81 to date), but also includes more advanced analytics such as market benchmarking (an exercise that a single Playtech customer is unable to carry out).

Playtech's data-driven business intelligence technology significantly enhances licensee revenues by increasing insight, improving player experience and increasing lifetime value. Added AI functionality gives licensees the tools to analyse big data and leverage real-time automated insights into players' behavioural patterns to create a personalised gaming experience.

We also offer the ability to segment players and personalise communication, based on their behaviours, using analytics and AI to improve player experience.

2023 highlights

- New single data portal with comprehensive, interactive dashboards for business KPIs and advanced analytics. Customers can also construct their own bespoke dashboards based on the same shared, anonymised datasets that Playtech uses.
- New cloud-based data mesh architecture empowers all Playtech products to bring their data to the same collaborative platform, enabling improved internal efficiency, and reduces total BI cost of ownership through retiring legacy per product analysis tooling.
- New player analytics tooling made available to licensees – providing analytics on exactly how players are interacting with gaming products for the first time.

Services

Making the most of Playtech's technology

Through partnering with over 180 licensees globally, Playtech has amassed a huge amount of knowledge on the gambling industry including customer acquisition and retention, how to manage risk and operational know-how. For those operators that are looking to launch online in newly regulating markets, this know-how can prove invaluable in ensuring that they make the most of the opportunities of an expanding addressable market. For those that are already established, our services can offer a way to get the most out of Playtech's technology to help deliver further growth. We break down our services offering into three segments: marketing services, operational services and consultancy and training.

Marketing services:

Our marketing services are typically targeted at those operators where we have a deep relationship such as strategic agreements.

Customer acquisition
Executing best practices and strategies in external marketing to execute and promote marketing campaigns in line with an agreed marketing plan and budget. We are experienced across all customer acquisition channels and look to build relationships with partners to ensure maximum value.

Customer retention
Developing and executing marketing strategies to retain, grow and maximise player value while achieving high levels of engagement in line with regulatory and compliance frameworks and procedures. We have experience across all communication channels including social media and gamification and can deliver valuable bonus strategies across all product verticals.

Operational services:

Our operational services are typically available for those customers which use our technology under a conventional business model.

Customer onboarding
Assisting the operator in configuring their customers' onboarding journey/flow. We configure the technical set-up for the system and oversee ongoing results to ensure business performance.

Risk management
Delivering fraud prevention services for the operator to minimise reputational and financial losses. We also offer AML services to ensure operators adhere to regulatory requirements.

Customer experience services
By combining our expertise in regulatory frameworks, customer protection and leading delivery, we provide high-quality customer experience services using AI-driven solutions at scale.

Payment processing
Overseeing the processing of cash out requests by customers from the point of the request to the moment they leave our platform as an "approved" outgoing transaction in line with risk management/ fraud prevention/ AML controls.

Technical delivery services
Delivering the necessary back-office configurations in PAM+ to ensure operators optimise Playtech's technology.

Consulting and training:

Our consulting and training services ensure an easily accessible source of industry and operational knowledge to get the most out of Playtech's technology.

Playtech Academy and training
Playtechacademy.com is the award-winning website that acts as a portal where operators and Playtech colleagues alike can access a wide range of content including videos, presentations, podcasts, thought leadership and live webinars, to enhance their knowledge of Playtech products.

Consulting
Our experienced consultants, across a wide range of locations and covering multiple verticals, help support operators in implementing industry best practice to get the most out of Playtech's technology. Activities are linked to clearly defined and measurable KPIs.

A flexible offering

A plethora of options to fit our licensees' needs

SaaS

For those operators that have their own platform, we also offer the ability to access our content, in a plug-and-play SaaS model. Operators benefit from the ability to access Playtech content without having to license the PAM+ platform with low implementation costs and quick time to market, while Playtech expands its addressable market. The SaaS model can also be used to provide a low-friction method of exposing as many operators as possible to Playtech's technology. Once operators see the quality of Playtech's content and technology, the path to offering additional Playtech products becomes easier. Playtech has been building out the infrastructure for its SaaS business since 2017 including data centres in local markets. As a result, Playtech is ready to accommodate a large number of operators across its infrastructure and has added over 450 brands since launching the SaaS offering.

>450

Brands added since launch of the SaaS offering

Broad range of available third-party integrations

Playtech provides operators with access to specialist services and software from carefully selected third parties. These partners offer products and services that complement or enhance Playtech's existing systems, giving operators a richer, more complex set of tools to achieve their business objectives, while not having to go through an integration process.

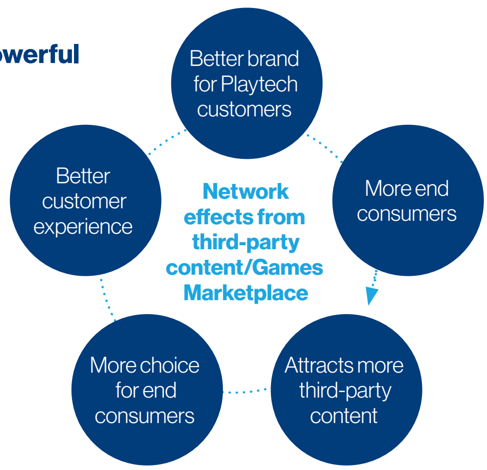
>45

Available third-party solutions

Playtech Open Platform and Games Marketplace

Playtech Open Platform (POP) allows licensees to access more than 10,000 of the industry's most popular online and mobile in-house and third-party games at any time, across any channel and on any device, ensuring licensees can offer their players a broad range of content. The Games Marketplace allows operators to discover and configure Playtech and third-party content, and monitor its performance, regardless of the technology that the game was built in. This also increases the amount of data that Playtech can access, improving our analytics offering and increasing network effects.

Playtech's business model unleashes powerful network effects

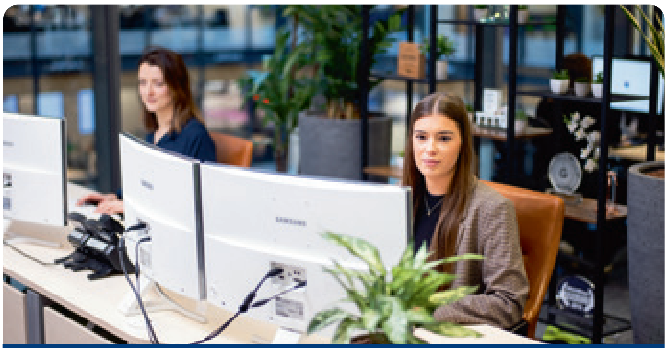


Stakeholder engagement

Considering all stakeholders in our decision making

Playtech's success is reliant on maintaining strong relationships with stakeholders.

As a technology leader and trusted service provider in the gambling industry, Playtech's success is built upon maintaining strong relationships and trust with its stakeholders. As an Isle of Man registered company, we are not bound by the UK Companies Act 2006. However, we seek to adhere to best practices and, as such, the following section outlines how the Directors take into account their obligations under section 172(1) (a) to (f) of the Companies Act 2006.



Colleagues

Why we value them

We recognise our colleagues are fundamental to our success and, as such, we put our colleagues at the heart of everything that we do as a company. We strive to recognise and reward everyone's contributions appropriately and give people the opportunity to develop both personally and professionally. Playtech, therefore, needs to attract and retain top talent and a strategic and professional approach to recruitment is essential to achieve this.

Most pertinent issues in 2023

- Flexibility, autonomy and being able to work from home
- Communication about strategy and priorities
- Recognition, continuous feedback, and learning and development
- Employee wellbeing, work-life balance and career progression
- Competitive remuneration and benefits
- Rising cost of living

How the Board and management engage and respond

- Implementation of a new Centre of Excellence function within HR, focusing on talent acquisition, learning and development, and diversity, equity and inclusion
- Series of town halls and office visits with a structured and informal format to:
  - Understand and listen to the ideas, issues and concerns
  - Increase awareness and understanding of the corporate strategy and priorities
  - Establish meaningful, two-way engagement with colleagues
  - Foster a culture of listening, openness and consultation
  - Ensure colleagues are aware of actions as a result of engagement
- Global engagement survey supported by action plans

Read more on **pages 60 to 69**

Shareholders and bondholders

Continued access to capital is vital to the long-term success of our business. Furthermore, Company Directors can better understand shareholder concerns and the driving forces behind their voting decisions. Engagement with experienced investors can be valuable for the Company in providing feedback on key strategic decisions, whilst also helping to anticipate any issues that may arise in areas such as governance and sustainability.

- Capital allocation priorities
- US and Latin America strategy
- Capturing the market opportunity in Italy and within Live
- Ongoing litigation with Caliplay
- Corporate governance
- ESG strategy and progress on safer gambling, climate and diversity and inclusion

- Annual Report and AGM
- Structured programme of communication between the Company and investors and analysts
- Results presentations and post-results engagement with major shareholders
- Capital Markets Days and analyst site visits
- Board receives regular updates on investor relations
- Engagement with ESG indices
- Chair of the Remuneration Committee engages with shareholders on Remuneration Policy and practice

Stakeholder engagement continued

Licensees and customers

Why we value them

We seek to understand our licensees' and customers' needs and challenges so that we can develop products and services and enter strategic partnerships that will add value. Regularly engaging with licensees and customers also highlights opportunities for innovation to ensure we can stay ahead of the competition, and respond to challenges.

Most pertinent issues in 2023

- Innovation across content, products and platform
- Data protection
- Service reliability and scalability
- Compliance
- Competitive pricing
- Solutions and support to meet and anticipate regulatory developments and sustainability topics – including safer gambling

How the Board and management engage and respond

- Face-to-face engagement at trade shows
- Executive Management team regularly meets with our customers to ascertain how Playtech is delivering as a partner and how we can improve
- The Board regularly receives updates on licences signed and progress on implementations
- Management teams use account management structures and CRM tools across our business to ensure we are delivering to our licensees' and customers' expectations
- Playtech aims to apply best practices, develop skills and capabilities, and deliver continuous improvement in execution to enhance the overall customer experience

Suppliers and technology partners

Our suppliers and technology partners play a crucial role in supporting our operational excellence as well as the success of our commercial teams, our product units and, ultimately, our licensees. Our customers benefit from high-quality provision of technical services as well as the suppliers' and partners' geographic reach, industry-specific and functional domain expertise and implementation support.

- Complexity and speed of onboarding process for new suppliers
- Consistent and regular communication and engagement with key suppliers
- On-time payments
- Fair terms
- Playtech ensures suppliers (including small suppliers) have access to new business opportunities
- Ethical behaviour and supplier compliance with sustainability criteria on climate and human rights
- Innovation partnerships

- Presentations to the Board Sustainability Committee on sustainable procurement risk assessment and sustainable supply chain strategy
- The Procurement function undertakes actions to ensure open communication with vendors and suppliers
- Playtech initiates supplier briefings and brainstorming sessions to help create new solutions aligned with Playtech requirements
- Ensures supplier compliance with regulatory requirements, through due diligence checks, GDPR reviews and information security checks
- Playtech ensures supplier compliance with human rights and climate requirements
- Playtech actively chooses to work with partners that are leaders in their own field and share Playtech's standards and values

Regulators and policymakers

Engagement with regulators plays an important role in, and can be valuable to, facilitating a fairer, safer and more sustainable sector. The Company continues to actively advocate for regulation in existing, future and evolving markets, which is vital to raise industry standards and protect customers, whilst also ensuring the industry continues to provide entertaining products to its customers, and better understand regulator concerns and decision making.

- Further evolution of safer gambling regulatory requirements
- Expansion in the use of technology and data analytics to protect players
- Increased emphasis on enhanced protection or stricter regulatory requirements for potentially more vulnerable groups, e.g. under 25s
- Concerns about the growth of unlicensed operators
- Improving existing regulations and compliance with a greater focus on safer gambling and AML
- New regulatory and legislative developments to promote player and consumer protections

- Board member participation in trade body and one-to-one meetings with regulators and policymakers
- Chief Compliance Officer provides the Board with regular updates on developments
- The Board is engaged with the licensing processes in several new jurisdictions to better understand regulatory requirements
- The Board continues to actively promote further regulation in the US via meetings with state regulators
- The Board receives ongoing updates including the review of the UK Gambling Act and regulatory developments in the US and Latin America
- Playtech delivers training to the Board every 12–18 months, including legal requirements related to anti-money laundering and anti-corruption, as well as regulatory developments

Society and communities

We are committed to operating and growing our business in a way that has a positive impact on the communities and environment where we operate. We also recognise that the challenges facing the sector and communities cannot be solved by one organisation alone. Driving positive social change requires collaboration and partnership.

- Societal concerns about the impact of gambling on digital wellbeing and mental health
- Ethical and responsible use of technology and generative AI
- Action to reduce the risks and impacts on climate change and nature
- Action to tackle modern slavery and human and labour rights issues
- Equality, diversity and inclusion
- The impacts of the Israel–Hamas war and war in Ukraine
- Partnership, engagement and support for local community organisations and causes

- Engagement with the Sustainability and Public Policy Board Committee
- The Board is provided with updates from the Chair of the Sustainability Committee on:
  - The Company's safer gambling strategy
  - Climate change
  - Human rights in the workplace and supply chain
- The Board is provided with regular updates on community-related efforts led by Playtech colleagues
- Endorsement of near-term and 2040 net zero targets and roadmap for SBTi validation
- Sustainability-linked remuneration to include Executive Committee and selected leaders

See KPI section on **pages 12 and 13**

Responsible business and sustainability

Sustainability: Shaping our sustainable future

Linda Marston-Weston
Chair of the Sustainability and Public Policy Committee
26 March 2024

In 2023, we continued to make good progress towards meeting our 2025 targets and commitments. I am proud of the work we are doing to embed sustainability into the DNA of our business, our values and our culture."

Our progress in 2023

I am pleased to outline the highlights from our 2023 performance.

During the year, to ensure that we continued to uphold the highest standards, Playtech undertook a further review of the business against the GamCare B2B Safer Gambling Standard, extended the scope of the audit, and was awarded the Advanced Level Three of the standard – the highest possible level of award. In 2023, we continued to strengthen our portfolio of safer gambling technology and solutions under Playtech Protect, with the development of personalised responsible gambling journeys.

Our people are critical to our business success. In 2023, we introduced a new Global People Framework covering all elements of our people strategy from recruitment and onboarding to succession planning and personal and professional development, embedding equality and inclusion at the core of our strategy. We are proud to have launched a Global Benevolent Fund, to provide enhanced support to colleagues and their immediate families who may encounter unforeseen, severe life-changing challenges.

We also set in motion our net zero by 2040 plan. In early 2024, the Science-Based Targets initiative (SBTi) approved Playtech's near-term science-based emissions target, a 50.4% reduction in its scope 1, 2 and 50.4% in scope 3 emissions by 2032. Playtech has also committed to set long-term emissions reduction targets with SBTi in line with reaching net zero by 2040.

Another key highlight in 2023 was the launch of a new sustainability partnership with Hubbub, to further enhance colleague awareness and engagement on sustainable action. We continued and expanded our partnerships with expert charities and academics to help people live healthier lives online, as well as supporting a wide range of charitable and volunteering activities. By the end of 2023, we had exceeded our community target set for 2025, with over 160,000 people engaged through community investment and mental health programmes over the past three years.

I am proud of the progress we have made in 2023. Our focus for 2024 will be to go further and deeper in making sustainability integral to the way we do business at Playtech – for every colleague, irrespective of what they do and where they work in the organisation.

Our sustainability governance

Our sustainability strategy is overseen by a Board-level Sustainability and Public Policy Committee, which is responsible for monitoring the Group sustainability performance as well as setting targets for the Group. The Committee also actively engages with external subject matter experts, leading academics and charities to help challenge and strengthen Playtech's overall approach.

The day-to-day responsibility for sustainability governance sits within the Sustainability and Corporate Affairs function. In practice, this function co-ordinates action, provides subject matter expertise, delivers support to other relevant functions, business units and country-level management, tracks performance and leads engagement and partnerships with external partners. Additionally, there are topical forums to further support delivery of the agenda including the Environment Forum and Community Investment Committee.

The Sustainability function also works closely with the Regulatory Affairs and Compliance function to align and integrate compliance and regulatory considerations into planning and decision making. The Regulatory Affairs and Compliance function is subject to recurring annual reviews, the scope of which is dynamic and varies from year to year. This function continued to lead the Compliance Council and other internal governance forums.

The newly established Risk, Internal Controls and Assurance function together with Internal Audit play a key role in ensuring that internal controls, including sustainability-related matters, are integrated into operational processes across the business.

Read more on the sustainability governance structure on www.investors.playtech.com/sustainability

Action and accountability

We believe that growing our business in a sustainable and responsible manner is a key factor in delivering long-term value for all our stakeholders.

For this reason, in 2023 the Board strengthened sustainability governance and accountability beyond Executive Management, by linking the Company's sustainability performance and year-on-year progress to the remuneration of the Management Committee and selected leaders. The sustainability performance and measures relate to material elements of our sustainability strategy, which include safer gambling, diversity and inclusion, and the environment.

The Board will continue to review and expand the Company's environmental, social and governance performance measures as well as the scope to build on collective efforts to meet our commitments and most importantly, embed sustainability into our culture and business operations.

Embracing challenge on sustainability

As a business in a rapidly changing industry, Playtech aims to play its part in raising standards and embedding sustainability internally and across the sector. With the continuously evolving societal and stakeholder expectations, Playtech recognises the importance of engaging with stakeholders to ensure the Company's approach to sustainable business remains robust and meets expectations. As a result, in 2021, Playtech set up a Stakeholder Advisory Panel to challenge and guide its sustainability agenda.

Following the seven successful panel sessions from the last couple of years, which allowed Playtech to draw on a wide range of knowledge, insights and experiences, the Company has continued its engagement with this group in 2023. The panel reconvened in person in November 2023, sharing ideas, suggestions, and constructive challenges with members of Playtech's senior management team and Board members. The panel has a crucial role in shaping the sustainability strategy and improving performance.

The main objectives of the session were to discuss global trends and strategic questions that will be important in strengthening and shaping the future of Playtech's sustainability strategy, review the Company's progress and the challenges it faces and demonstrate how Playtech has considered the panel's feedback and comments as part of the evolution of its strategy. Three main themes emerged from the discussion:

- While Playtech has made considerable progress, there remains work to do around embedding sustainability into the Company's culture and engaging with employees, providing them with the tools to embed sustainability into their own sphere of accountability.
- The sustainability agenda is changing at a fast pace. With regulators continuously increasing the minimum requirements for both disclosures and action-led compliance, Playtech will have to innovate to keep its leading edge.
- Industry collaboration and multi stakeholder partnerships can be an important way that Playtech can lead on selected topics and drive change across the sector. A sectoral collaboration around safer gambling has been encouraged by the panel, as well as a potential climate change coalition to accelerate the transition to net zero.

"I have been impressed by the willingness of the Board and Executive team to actively listen and engage in constructive conversations with the panel, covering a broad range of sustainability topics, with an enduring focus on the unique role of Playtech within its sector."

Christian Tøennesen, Group Sustainability Director, Selfridges Group

Read more on the detailed summary of the latest panel session on the Playtech website

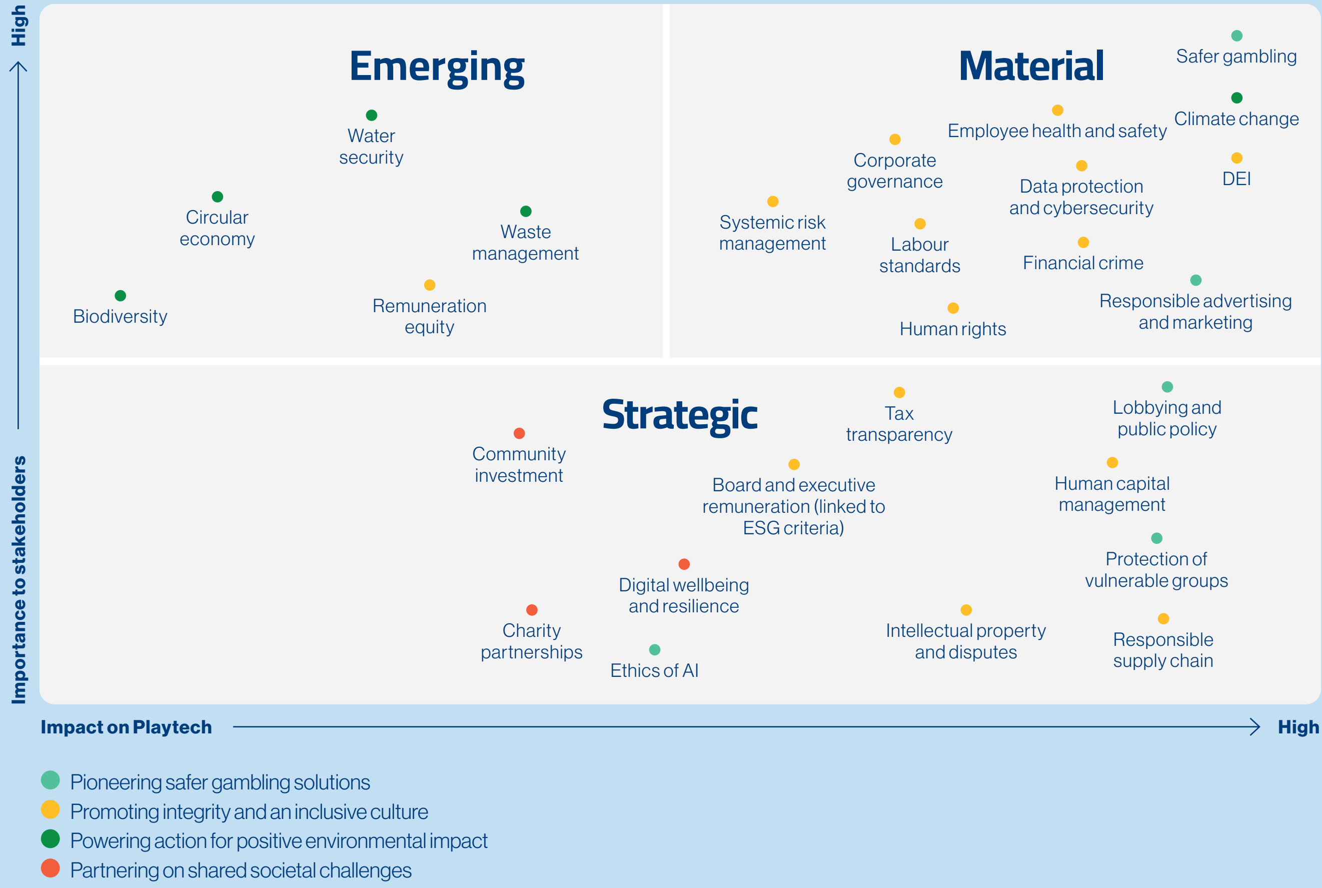
Responsible business and sustainability continued

Sustainability materiality

Playtech's sustainability priorities have been based on the most material environmental, social and governance issues that both internal and external stakeholders consider important for industry and society. Playtech's most recent materiality assessment was refreshed in 2022 and takes into consideration increased political, regulatory and societal concerns. In 2024, Playtech will refresh its materiality assessment.

Sustainability materiality matrix

The diagram below outlines the material and emerging issues of interest to stakeholders, including topics that are related to wider community investment activities and water usage within the Group's Italian operations.



Issues that matter to Playtech and society

The Company recognises that standards, requirements and expectations about the role of business in tackling environmental, social and governance topics continue to evolve. Regularly assessing which issues are material to the business and industries it operates in is essential to successfully test and develop the Group's responsible business strategy and reporting. Playtech defines an issue as being material if it is considered important by key stakeholders and could have a significant financial impact on the business. As such, the business considers both risks and opportunities as part of the materiality assessments.

The approach to materiality is dynamic and will continue to evolve and adapt, ensuring assessments help the Company to capture changes in the business and in society, as well as focusing on reporting and sustainability disclosures.

The issues identified as being the most material are:

Safer gambling

Embraces areas such as games design and product safety, marketing, investment in research, education and treatment (RET), customer engagement, regulation, data analytics and the use of artificial intelligence (AI).

Climate change

Covers policies, existing and impending regulations, initiatives, and performance relating to climate change prevention, mitigation and adaption.

Diversity, equity and inclusion

Covers increased representation and inclusivity for various groups, including gender, culture, identity and disability, directly linked to talent attraction, retention, employee engagement, training and development.

Responsible advertising and marketing

Refers to adopting a socially responsible approach to advertising and marketing, ensuring that adverts do not exploit the susceptibilities of young or vulnerable people.

Employee health and safety

Relates to looking after the mental and physical health of employees – a concern that became increasingly prominent following the pandemic.

Data protection and cybersecurity

Refers to policy, governance and resourcing as well as operational KPIs related to security strategies, data protection and security controls, vulnerability monitoring and risk assessments, and risk management and governance.

Corporate governance

Refers to elements of governance that relate to the social and environmental aspects of sustainability such as Board diversity and experience, incentives and remuneration, and the integration of sustainability into decision making.

Financial crime

Focuses on anti-money laundering (AML), anti-bribery and corruption (ABC), tax evasion and professional integrity.

Human rights

Focuses on recognising the rights of all people regardless of race, sexuality, nationality or any other status. It also covers modern slavery.

Labour standards

Relates to basic worker rights, working conditions, adequate wages and job security.

Systemic risk management

Refers to ensuring risks associated with business collapse are managed, such as ensuring there is clear accountability and reporting.

Our sustainability priorities

Pioneering safer gambling solutions

What we measure:

- Playtech Protect presence and BetBuddy integrations
- Research papers, practical and theoretical
- Uptake of safer gambling tools

Why does it matter:

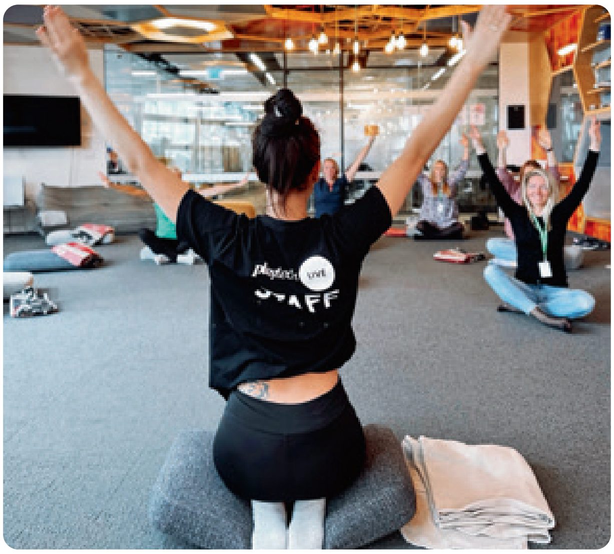
One of the most impactful contributions we can make to the industry and in society is to advance safer gambling and player protection technology. Through our safer products, data analytics and player engagement solutions, we are keeping players safe and helping our licensees succeed in regulated and fast-moving markets.

In action:

At Playtech, we are harnessing our culture of innovation to pioneer safer gambling solutions for our customers. Through Playtech Protect, we offer licensees a wide range of responsible gambling and compliance technology, tools and solutions.

Read more on Playtech Protect on **pages 56 to 59**

Promoting integrity and an inclusive culture



What we measure:

- Diversity metrics
- Employee engagement
- Employee wellbeing

Why does it matter:

We are empowering Playtech colleagues to be a force for good in the world. Our sustainability approach helps our people work together with clear targets to maximise our collective positive impact on players, local communities and the environment.

In action:

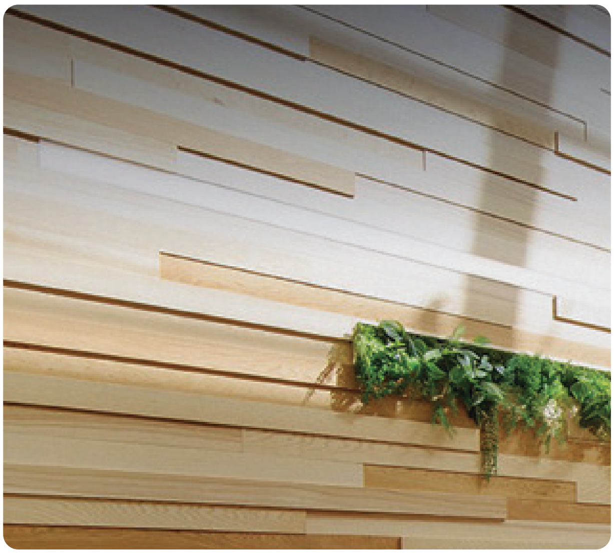
We are building a culture of equality and inclusion. With our new Global People Framework, we are embedding equality and inclusion as a key element of our talent succession planning, and learning and development strategy.

Read more on Playtech People on **pages 60 to 69**

Sustainability is about taking responsibility for our Company's impact on people, society and the environment. At Playtech, we have developed a framework for action, with four priority areas:

playtech planet

Powering action for positive environmental impact



What we measure:

- Energy and emissions
- Renewable energy in our offices
- Water and waste consumption

Why does it matter:

Climate change is an urgent concern for everyone, including our people, investors and local communities. This is why we have made "Playtech Planet" a stand-alone priority in our sustainability strategy.

In action:

Playtech has committed to near-term and net zero targets to ensure our journey to decarbonisation is in line with limiting global warming to 1.5°C, as per the Paris Agreement.

Read more on Playtech Planet on **pages 70 to 81**

playtech partners

Partnering on shared societal challenges

What we measure:

- Monetary donations and investments
- Employees' contributions (skills, time and/or money)
- Engagement and reach to assess impact of community programmes

Why does it matter:

We are committed to making a positive impact on society and in local communities. By working with expert partners, we are helping people live healthier lives online and supporting a wide range of charitable and volunteering activities.

In action:

We are collaborating with subject matter experts, industry stakeholders, academic partners and charitable organisations to address societal challenges that are most relevant to our industry and local communities.

Read more on Playtech Partners on **pages 82 to 87**

Our Group Sustainability Scorecard

ESG ratings:

We actively participate in a range of global ESG ratings, indices and frameworks to benchmark our approach against best practice and emerging sustainability challenges:

In 2023, Playtech received a rating of "AA" in the MSCI ESG ratings assessment.[1]

1 www.msci.com/notice-and-disclaimer

In 2023, Playtech was included in the FTSE4Good Index, with a score of 4.3 (out of 5).

In November 2023, Playtech received an ESG rating of 12.5 and was assessed by Morningstar Sustainalytics to be at low risk of experiencing material financial impacts from ESG factors. In no event shall this information be construed as investment advice or expert opinion as defined by the applicable legislation.[2]

2 www.sustainalytics.com/legal-disclaimers

Playtech scored 55 in the 2023 S&P Global Corporate Sustainability Assessment reflecting an improvement of 44 points over the last three years (CSA score as of 24 November 2023).

Playtech participates annually in CDP's Climate Change Programme. In 2023, CDP recognised our progress with a "B" score.

Priorities	Commitments
Pioneering safer gambling solutions	Expand the portfolio of safer gambling technology, tools and solutions
	Harness investment in R&D to advance the next generation of safer gambling solutions
	Strengthen operational safer gambling standards and technology across our operations
Promoting integrity and an inclusive culture	Promote integrity, uphold human rights and reduce compliance risk across our operations and supply chain
	Foster equal opportunity and equality for all employees
	Support employee wellbeing
Powering action for positive environmental impact	Reduce Greenhouse Gas (GHG) emissions within own operations and supply chain
	Build capability and climate resilience through decisive actions in both own operations and supply chain
	Align to global climate efforts to transition into a low-carbon economy, in accordance with the latest climate science and prioritise climate innovation
Partnering on shared societal challenges	Help people live healthier online lives and adopt digital resilience and safer gambling behaviours
	Contribute to and support research, education and treatment to prevent, reduce and address gambling-related harm
	Empower local community groups to deliver a positive impact

Playtech uses a sustainability scorecard to monitor and assess performance against its sustainability priorities, commitments and targets.

Performance measures	2023 performance
Playtech Protect presence (number of jurisdictions)	9
Brands integrated with BetBuddy (number of brands)	16
Research papers during the year (number of papers)	5
SaaS partnerships (number of safer gambling and compliance partnerships)	15
Achievement of safer gambling independent certification or assurance across operations	GamCare B2B Safer Gambling Standard, Level 3 G4 international certification of responsible online gambling (Snaitech)
Customer interactions (B2C) training during the year (completion rate)	88%
Proportion of customers self-excluding and using safer gambling tools during the year (%)	14 % and 22% respectively
Reports raised through Playtech's Speak Up whistleblowing hotline during the year (number of incidents)	11
Compliance training during the year (employee completion rate)	94%
Data protection training during the year (employee completion rate)	93%
Human rights training during the year (employee completion rate)	93%
Information security training during the year (employee completion rate)	92%
Increase gender diversity amongst our leadership population to 35% by 2025 against a 2021 baseline	30%
Reduction in Mean Gender Pay Gap (UK)	19% decrease (from 27.4% in 2022 to 22.1% in 2023)
Reduction in Median Gender Pay Gap (UK)	16% decrease (from 26.5% in 2022 to 22.2% in 2023)
Reduction in Mean Gender Bonus Gap (UK)	6% increase (from 41.1% in 2022 to 43.7% in 2023)
Reduction in Median Gender Bonus Gap (UK)	45% decrease (from 36.5% in 2022 to 20.0% in 2023)
Wellbeing initiatives during the year (number of initiatives)	>250 wellbeing initiatives
Employee participation in wellbeing initiatives during the year (number of employees)	>4,300 employees participated in at least one initiative
Employee Net Promoter Score (eNPS) from employee engagement surveys	41%
Reduce Scope 1 and 2 (location-based) carbon footprint by 40% by 2025 against a 2018 baseline	1.7% increase (excluding refrigerants, see pages 70 to 73 for more details)
Track Scope 3 reductions with focus on key material categories	106,641 tCO2e
Switch all offices, wherever possible, to renewable energy (% of renewable energy)	57%
Get near-term and net zero targets approved by Science Based Targets initiative (SBTi)	SBTi approval received in early 2024
Reach 415,000 people with digital wellbeing programmes by 2025 (number of people reached directly and indirectly)	>680,000 people reached
Total amount invested during the year (€)	>€ 1,500,000 (£ 1,300,000)
Engage 30,000 people in community and mental health programmes to improve livelihoods by 2025 (number of people engaged)	>160,000 people engaged
5% year-on-year increase in employees' contributions (skills, time or money), reaching a global average of 10% by 2025 (%)	10.5% global average (increase by 129.0% since 2022)
Total value of monetary donations during the year (€)	>€ 710,000

Pioneering safer gambling solutions

One of the most significant contributions Playtech can make to the industry and society is the provision of technology to advance safer gambling and player protection. Through our safer gambling technology solutions, we are helping operators and the industry strengthen player protection measures and create a safer gambling experience.

Commitments:

- Expand the portfolio of safer gambling technology, tools and solutions
- Harness investment in R&D to advance the next generation of safer gambling solutions
- Strengthen operational safer gambling standards and technology across our operations

Performance measures:

- Playtech Protect presence and brands integrated with BetBuddy
- Research papers and partnerships
- Achievement of safer gambling independent certification or assurance across operations
- Safer gambling training
- Uptake of safer gambling tools in our B2C operations

16
Brands deployed and integrated with BetBuddy

9
Number of jurisdictions

15
Compliance and safer gambling SaaS partnerships

Safer gambling – the changing landscape and our approach

Across all markets, including jurisdictions where online gambling is in the process of being regulated, the importance of protecting players, preventing gambling-related harm and ensuring our industry is sustainable continues to be the most material priority for the gaming and betting sector. With our unique reach, data capabilities, and investments in safer gambling technologies, Playtech has taken the conscious decision to invest in technological solutions to help our licensees and industry, strengthen safeguards and enhance positive player gambling experiences.

Collaboration is vital to our approach. Across its operations and externally, Playtech has partnered with academics, non-profit organisations, licensees and think tanks, to further develop and advance the delivery of safer gambling solutions and standards as well as broaden its safer gambling product portfolio under Playtech Protect.

Gambling regulation – evolving expectations

As regulated online gambling markets mature and as regulators gain greater understanding of the impact of online gambling there is a greater emphasis placed on customer protection. Newly regulating markets learning from the experiences of other regulators are launching with increasingly sophisticated, comprehensive player protection obligations. A crucial aspect of this evolving trend is the shift of regulatory focus to behavioural analytics for player protection purposes. Engagement with policymakers and regulators plays a key role in facilitating a fairer, safer and more sustainable gambling sector.

The Company continues to actively advocate for robust standards in regulating and regulated markets, which can, more adequately, safeguard players as well as better align with regulatory efforts to improve responsible gambling measures and practices. In jurisdictions such as the Netherlands, Spain, Ontario, New Jersey, Colorado and more recently Colombia, there is a trend towards requiring the use of behavioural analytics to identify and address problematic gambling behaviours, and upcoming markets are looking closely at this approach.

Playtech continues to contribute its experience, technology, and research insights to support its licensees and wider industry stakeholders.

Playtech Protect – Playtech's safer gambling offering

Our flagship solution, Playtech Protect, was established to offer licensees a wide range of responsible gambling and compliance technology, tools and solutions, as well as leading to the formation of several research partnerships. These technology solutions are embedded into Playtech's PAM+ platform and Engagement Centre.

Using our scale, advocacy, and data-driven approach, we are offering safer gambling tools, to help our licensees and industry deliver responsible gambling experiences and effective player protection measures. Playtech Protect combines our advanced technology, data analytics and research to promote safer gambling. The offering includes a range of tools for end-to-end player management, risk and fraud mitigation, and customer engagement.

Within this offering, Playtech's flagship technology product is BetBuddy, an artificial intelligence powered solution that uses predictive analytics and machine learning to detect problematic play patterns. BetBuddy enables operators to segment their player base according to risk level and initiate personalised interventions like setting deposit limits. By predicting risk at an early stage, BetBuddy enables operators to engage with players in a personalised way while problematic behaviours are still developing. This provides a valuable opportunity to guide users towards safer gambling habits before more severe harm occurs.

In 2023, we saw further uptake of safer gambling technologies, tools and solutions by licensees. This was driven by the introduction of specific requirements on the use of behavioural analytics to detect players at risk in additional jurisdictions, based on licensing requirements, and an increased awareness across the industry of the importance of a proactive approach to safer gambling. In 2023, 16 brands across nine jurisdictions have been integrated with and are using BetBuddy, compared to 13 brands in 2022. Considering that three brands have ceased operations, Playtech has onboarded six additional brands during 2023. By the end of 2023, BetBuddy presence had expanded into three new jurisdictions, having been adopted by brands in Italy, Sweden and Canada, excluding Ontario.

During the year, Playtech added a supplementary new model that operates in near real time. This new functionality allows licensees to assess players' risk in just a few hours after opening their gaming account.

Additionally, Playtech took steps to improve the user experience for BetBuddy as well as explore how best to measure the effectiveness of interactions with at-risk players. As part of this process, we conducted extensive interviews with customer agents and client representatives to inform improvements to the front end of our tools. The goal is to consolidate all relevant information on each player into a single user interface. This would enable agents to carry out more personalised and effective safer gambling interactions and track their impact over time. The aim of these improvements is to test and analyse the efficacy of specific interactions and gain quantitative insight into which approaches are most and least successful.

The Playtech Engagement Centre offering continues to allow licensees to create bespoke safer gambling journeys, interact with their players and provide information or encourage them to undertake a specific action.

Playtech continues to maintain and expand its compliance and safer gambling Software-as-a-Service (SaaS) partnerships, which play an important role in supporting more licensees to compete, grow and thrive in the changing regulatory landscape. These partnerships offer licensees a multifaceted range of quality technology solutions as well as making access easier via the Playtech integration.

Progress on the journey to player personalisation

Playtech's flagship product BetBuddy, our responsible gambling analytics platform, combines the latest research into gambling behaviour with the power of AI, delivering a sophisticated solution to proactively identify and engage with players who might be at risk of experiencing harm from their gambling.

In 2023, Playtech took a significant step to further enhance player protection with the development of new functionality which allows operators to apply more personalised responsible gambling rulesets for players according to the player's risk level calculated by BetBuddy.

Key features of this development include the ability to establish additional optional limits or enforce specific parameters that players must adhere to. These include cooling off periods, a permissible number of limit increases, a personalised maximum value the limit can be increased to and more. Different settings can be applied according to the risk level of a player.

This avoids the need for operators to use generic, blanket rules across the different player risk levels, and enables the application of the appropriate and relevant level of protection. For higher risk players, this functionality allows the operator to apply tools in a way that offers a greater level of protection, while for lower risk players, the tools offered meet the regulatory requirements without being overly restrictive. This means boundaries can be set that are more personalised and based on previous player behaviour.

Playtech has also developed a Player responsible gambling dashboard which will provide our licensees with a comprehensive overview of each player's responsible gambling status, including a snapshot of their responsible gambling limit usage status, as well as a historical overview of time-outs, self-exclusions, deposits and withdrawals and other activity. The system is currently being tested, prior to roll-out in 2024.

Responsible business and sustainability continued

Consumer Insights and Trends Report in Latin America

In 2021, Playtech conducted a research study to examine how players in Latin America perceive responsible gambling. The study aimed to gain insight into how the gambling industry can promote a safe and fair gambling experience in each region. In 2022, Playtech continued its research and published the second edition of its report on responsible gambling in Latin America in September 2023.

The report's recommendations aim to inform future collaboration, public policy measures and corporate approaches to improve the development, distribution and assessment of digital tools for those at risk of gambling-related harm. It provides a comprehensive overview of public perceptions in the Latin American market, including responsible gambling behaviour, player protection messages, unconventional betting categories, and the roles of the gambling industry and government in promoting responsible gambling guidelines.

The study highlighted that despite the increasing trend of online gambling, 93% of Latin Americans consider themselves responsible gamblers and 49% prioritise not feeling anxious while gambling as an important aspect of responsible gambling. While there have been advancements in providing safer gambling support and information, there are still challenges in tailoring and measuring the effectiveness of digital tools for player protection.

The report also showed that in the previous study, 53% of the subject interviewees had placed bets in the last six months, a number that jumped to almost 70% in this survey. Among those who hadn't placed bets in the first study, the main reasons given were not knowing how to do it safely (24%) and being worried about losing money or becoming addicted (14%). At the same time, respondents said they would feel safer about gambling online if they had more information and tools for player protection (45%), more information about gambling companies (44%), and a brand/company they recognise (42%).

By publishing this research, we hope that the insights will help inform improvements in personalised, real-time player interactions as well as approaches for creating a safe entertainment environment for all online players across Latin America. The Responsible Gambling Report is available at, www.playtech.com.

> **As the Latin American sports betting market grows, it is crucial for our industry to prioritise player safety and security. By harnessing cutting-edge technologies, we can create a secure environment that meets the evolving needs of our customers."**
>
> **Mor Weizer**
> Playtech CEO

Playtech Protect – Playtech's safer gambling offering continued

One area of focus in mature markets, such as the UK, is the role that technology solutions can play in assessing player affordability. Playtech continued to engage with third-party providers to ensure it is well positioned to support licensees with technology solutions to assess customer affordability voluntarily as well as when regulatory regimes mandate affordability checks. In 2023, Playtech increased its compliance and safer gambling SaaS partnerships to 15, from 11 in 2022.

Safer gambling – research and insights programme

Our research and insights programme focuses on better understanding how our products and services support safer gambling, shares our insights and experience and encourages further research and analysis by others.

In 2023, Playtech published Industry Research Briefings on Product Risk, Bonus Offers, Risk Identification and Explanation, and AI Governance and Accountability, as well as the second edition of a research report on Responsible Gambling Trends in Latin America.

Playtech also presented two papers at the 18th International Conference on Gambling & Risk Taking (ICGRT), the world's largest research conference in the field, organised by the University of Nevada, Las Vegas International Gaming Institute. All are available on Playtech's website, www.playtech.com.

Progress has also been made on the four-year research partnership with Holland Casino, Erasmus University and the University of Amsterdam that was commenced in 2022. This partnership is exploring how to measure player risk and behavioural impacts from safer gambling interactions. It will develop a library of interventions which will be made publicly available. The initial pilot is due to commence in 2024.

Safer gambling standards and certification

In 2021, Playtech was the first company to achieve the GamCare B2B Safer Gambling Standard. GamCare is the UK's leading provider of information, advice and support for anyone affected by problem gambling. The GamCare Safer Gambling Standard is an independent quality standard which assesses the quality of controls companies put in place to protect customers from experiencing gambling-related harm. For more information about the standard, please go to www.safergamblingstandard.org.uk.

The accreditation process involved an in-depth review of Playtech's business, including governance, culture and executive support for safer gambling, as well as safer game design and product development. To ensure that Playtech continues to uphold the highest standards, in 2023, we undertook a further review of the business against this standard, extended the scope of the audit to all our product verticals and were awarded the Advanced Level Three of the standard – the highest possible level of award.

In 2023, the Snaitech Group has also secured certification of its safer gambling programme by obtaining the renewal of the G4 international certification of responsible online gambling.

Responsible gambling escalations to licensees – iPoker

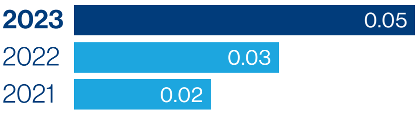
Within the Poker network, iPoker employs its analytical skills to identify possible money laundering, problem gambling and collusion issues. Playtech's dedicated team identifies potential issues and escalates these to licensees to review and assess whether further action should be taken. While Playtech is unable to take direct action on behalf of licensees, as it does not have access to player accounts, money or personal information, the team assists licensees by escalating potential concerns about safer gambling, collusion and anti-money laundering (AML).

In 2023, a new licensee joined the iPoker network, bringing a significant number of new players with them and so increasing the average number of players and responsible gambling escalations, by 17% and 35% respectively in comparison to 2022. Playtech identified an increase in promotional abuse and introduced a new "process scanning" tool which helped in identifying prohibited software use on a player's computer. Additional processes for "Real Time Assistance (RTA)" detection were also rolled out, following a new partnership between iPoker and GTO Wizard, a leading poker web app training provider. Playtech continued to develop improvements based on further automation of our Bot Detection process, reducing complexity and enabling quicker detection checks.

Escalations to licensees – iPoker

The table below summarises the percentage of unique cases escalated to licensees on AML, collusion and responsible gambling over the past three years.

AML (%)



Collusion (%)

Responsible gambling (%)

Responsible gambling escalations to licensees – Live

Playtech's Live Casino operations continued to provide licensees with information about player behaviour that could indicate players at risk and/or displaying behaviour that could be harmful. Like the iPoker team, the Live operation does not have access to player accounts, money or personal information.

The Live team uses a machine learning application, which analyses chat for words and phrases indicating potential at-risk behaviour. This year, Playtech is reporting on safer gambling escalations to include data from its Live Casino operations in Spain, Romania, Latvia, the US and Peru. In 2023, Playtech at-risk escalations from its Live operations totalled 55,895 cases, compared to 53,085 in 2022 and 23,802 in 2021. This number has increased due to full-year operation and expansion of the Live studio in Lima and the closure of the PGS (Belgium) Live studio.

Strengthening safer gambling in B2C operations

In 2023, Playtech B2C operations continued to build on the initiatives started in 2022 to improve the quality and accuracy of Playtech's models to identify at-risk players as well our customer interaction procedures. The projects initiated included updates to Playtech's technology infrastructure and use of near real-time identification of at-risk players.

In 2023 Playtech took a significant step to further enhance player protection with the development of a new internal single customer view tool to assess player risk and a new segmentation engine to enhance categorisation of gambling risk categories using a combination of risk factors. The latter project will enable Playtech to also strengthen its capability to direct players towards specific player journeys based on this segmentation.

Customer interactions

In 2023, we reported customer interactions, split by proactive person-to-person interactions led by our Customer Service agents at PTMS and reactive interventions triggered by player behavioural activities and BetBuddy, our responsible gambling analytics platform. The Playtech B2C Operations team engaged with customers on safer gambling through several channels; over 24,000 proactive person-to-person interactions via phone and email and over 760,000 interventions triggered via automated emails and account inbox messages. Triggers could be the result of source of funds, deposited amounts or directly from BetBuddy. The total number of customer interactions has increased significantly from 2022 and 2021 due to the reintroduction of deposit limits. Players reaching the daily gross deposit threshold receive a safer gambling intervention email. Players, with additional deposit triggers, prompt a responsible gambling interaction.

Playtech continued to monitor the number of self-exclusions and use of responsible gambling tools within the UK B2C operations in 2023 as a proportion of the total unique customers. The proportion of customers self-excluding slightly increased to 14% in 2023, from 13% in 2022. This was due to the business being more active in self-excluding customer accounts proactively. The number of customers using Responsible Gambling Tools has decreased to 22% due to better use of operator led limits and proactive interactions.

Uptake of safer gambling tools – B2C

	2023	2022	2021
Proportion of customers self-excluding (%)[1]	**14%**	13%	10%
Proportion of customers using RG tools (%)[2]	**22%**	33%	32%

1 Number of self-exclusions and registrations with GAMSTOP as a percentage of total unique customers within Playtech's B2C operations in the UK.

2 RG tools comprise reality checks, time-outs and deposit limits.

Customer interactions[1]

	2023	2022	2021
Total number of customer interactions:	**525,107**	12,730	5,314
Total number of proactive interactions[1]	**24,419**	12,730	5,314
Total number of reactive interactions	**500,688**	—	—
Total number of automated interventions[2]	**763,459**	263,762	529,244

1 Previously noted as 'Person-to-person interactions via phone, email or live chat'.

2 Previously noted as 'Emails'.

Promoting integrity and an inclusive culture

We are committed to conducting our business with integrity and promoting a culture of openness, integrity, and accountability. We aim to ensure that this ethos guides our decision making and creates a supportive and respectful environment where all have equal access to opportunities and employee wellbeing is paramount.

Commitments:

- Promote integrity, uphold human rights and reduce compliance risk across our operations and supply chain
- Foster equal opportunity and equality for all employees
- Support employee wellbeing

Targets and performance measures:

- Increase gender diversity amongst our leadership population to 35% by 2025 against a 2021 baseline
- Reduce gender pay and bonus gap
- Engage with supply chain following risk assessments
- Improve employee engagement and wellbeing

30% **Female**

70% **Male**

Amongst leadership population

Reducing compliance risk

Responsible business practices are not just the right thing to do – they are critical to Playtech's licence to operate, and to delivering long-term commercial success. That is why Playtech continues to put ethical principles at the heart of its business. In addition to its values, the Company has set out its ethical business principles as it seeks to make compliance and ethical behaviour a core part of its culture.

Taking action to reduce compliance and financial crime risk
Playtech conducts regular risk assessments to identify and mitigate its compliance, ethical and regulatory risks, including money laundering, bribery and corruption and tax evasion. Playtech has a zero-tolerance policy for corruption and is committed to keeping crime out of its operations.

This includes regular licensee and third-party risk assessment and monitoring, including reviewing compliance risks across the lifecycle of relationships with third parties – including customers, business partners and suppliers – and is supported by automated monitoring of those entities and third parties. The system monitors for historical and real-time considerations such as Politically Exposed Persons (PEP), sanctions, legal action, insolvency and disqualifications. In addition, the Compliance and Regulatory Affairs function provides input to the Group's quarterly risk management process. This process document is supported by a risk register, risk matrix, assessment guide, interview schedule and Group risk management processes.

Playtech also conducts annual anti-money laundering risk assessments. These assessments are based on industry standard documents produced by the industry body, the Gambling Anti-Money Laundering Group (GAMLG). The GAMLG methodology has been adapted to reflect the risks associated with each part of Playtech's business. Once completed, the risk assessments are subject to review and challenge by external legal counsel, and summaries of the findings and progress are provided to regulators.

The Global Regulatory Awards, hosted by Vixio Regulatory Intelligence, provide a platform to recognise the achievements of individuals, teams and organisations working in compliance, corporate social responsibility, and safer gambling. In 2023, our colleague Charmaine Hogan was the winner of the "Head of Regulatory Affairs/Government Relations of the Year" award, demonstrating our commitment to set new standards in the industry.

Policies

In 2023, Playtech reviewed and updated its policies to ensure they are aligned with evolving legislation and industry best practice. This included updates to its anti-bribery and corruption, business ethics and Speak Up policies as well as its safer gambling policy, available at www.playtech.com.

Playtech communicates these policies to all employees through a number of channels including local communications, Playtech Home (Playtech's intranet site), annual training, bespoke training, and dedicated compliance emails and newsletters.

Training

Each year, Playtech deploys a wide range of training for employees covering compliance topics including anti-money laundering, anti-bribery and corruption, safer gambling, data protection and anti-facilitation of tax evasion. All employees are required to complete test-based e-learning training and attest to the relevant policies under each topic. In 2023, the Company continued training on modern slavery and human rights for all employees. Playtech also deploys data protection and information security awareness training modules. For more information on data protection and cybersecurity, please refer to the relevant sections in this chapter. The modules include a test to help the Company understand the levels of understanding and awareness in Playtech's workforce. Employees who fail to complete the module will lose their eligibility for bonuses within the financial year.

Playtech continued to provide annual training to its dedicated B2C Customer Service team, Playtech Managed Services, around meaningful responsible gambling interactions. In 2023, the training aimed to equip the Customer Services agents to help players manage their habits, encourage self-reflection and ensure players' wellbeing. The refresher workshop focused on the distinction between concerning and serious behaviour, game fairness and key soft skills for effective interactions handling.

Playtech also delivers regulatory, compliance and sustainability training to the Board every 12–18 months. During 2023, Board training included briefings on legal requirements related to corporate governance, with a focus on Director duties, sustainability, anti-money laundering and anti-corruption, as well as regulatory developments and the various nuances across jurisdictions.

Training overview

The chart below outlines the participation and completion rate in core compliance training offered to Playtech employees.

Training type	Employees: Total number completing the training	Employees: Total number of eligible individuals	Completion rate
Compliance essentials[1,2]	6,658	7,090	94%
Human rights[2]	4,479	4,799	93%
Customer interactions (B2C)	215	244	88%

Training type	Contractors: Total number completing the training	Contractors: Total number of eligible individuals	Completion rate
Compliance essentials[1,2]	68	72	94%
Human rights[2]	68	73	93%

● Total number completing the training
● Total number of eligible individuals

1 **Snaitech employees also completed training relating to Italian Legislative Decrees 231/01 and 231/07, in light of regulatory changes.**

2 **Average training hours per employee is 0.83.**

Responsible business and sustainability continued

Reducing compliance risk continued

Speaking up

An important aspect of Playtech's commitment to conducting its business with integrity and promoting a culture of openness and accountability is providing a channel for employees to voice concerns about anything they find unsafe, unethical or unlawful. The Company's Speak Up line, introduced in 2017, is instrumental in ensuring that employees have access to an independent channel to raise concerns confidentially and anonymously, wherever permitted under local legislation.

During 2023, Playtech had 11 incident reports, anonymously submitted via the Speak Up platform. The Speak Up review process is led by the Chief Compliance Officer and General Counsel. Incidents raised during 2023 were reviewed and resolved within the year. In 2024, the Company will continue to promote this as an important channel for raising ethical concerns.

Data protection

Playtech is committed to protecting and respecting the personal data it holds, in accordance with the laws and regulations of the gaming markets in which it operates. The Company's systems, software, technologies, controls, policies, and processes have been adjusted to ensure appropriate management of privacy risk.

Personal data processing is crucial to Playtech's business model, with customers and clients trusting the Company with their personal data every day. Ultimately, they only trust Playtech as a business partner and supplier when they have confidence that their personal data is safe and understand how and why it is used by the Company.

Playtech's Group-wide security and privacy policies support the management of data privacy risk and are accessible to and applied by all its global businesses units. Playtech provides transparency to its players, employees and stakeholders on how it collects, uses and manages their personal data and their associated rights.

Following the implementation of the EU General Data Protection Regulation (GDPR) in May 2018, and numerous regulatory requirements for the gambling industry, Playtech has embedded a tested and verified as well as robust and consistent approach to data protection and security across all its jurisdictions. Playtech takes all possible steps to safeguard personal data by adhering to the principles contained within GDPR and other relevant data protection legislation.

Playtech has a dedicated Data Protection team that reports monthly to the Board on data privacy risks and issues. The Data Protection team's work focuses on driving privacy by design, monitoring of policies and conducting reviews and data privacy impact assessments. The Group has procedures that clearly set out the actions required when dealing with a data privacy incident. These include notifying regulators, clients, or data subjects as required under applicable privacy laws and regulations. Playtech continues to mature the depth and frequency of data protection and cybersecurity reporting to maintain high visibility for its senior management team and the Board.

In view of the evolving regulatory and technological landscape Playtech is proactive in its approach to data privacy and aims to continually improve its policies and their application. All Playtech employees and partners are required to comply with confidentiality requirements, and legal and regulatory obligations, with contractual terms such as data processing agreements and EU model clause agreements governing the use, disclosure and protection of information. Each year, employees and contractors are also required to complete test-based data protection and security awareness training.

Training overview

The chart below outlines the participation and completion rate in data protection and security training offered to employees and contractors in the organisation.

Training type	Employees: total number completing the training	Employees: total number of eligible individuals	Completion rate	Contractors: total number completing the training	Contractors: total number of eligible individuals	Completion rate
Data privacy and protection[1]	4,479	4,799	93%	68	73	93%
Information security[2]	6,478	7,031	92%	87	92	95%

- Total number completing the training
- Total number of eligible individuals

1 Average training hours per employee is 0.83.

2 Average training hours per employee is 1.24.

Cyber and physical security

The Playtech Security team's mission is providing business enablement for the gaming platform, licensees and players in a secure, non-intrusive and scalable manner. The global technological environment is ever evolving, as are cyber and physical security threats. The gaming and betting industry is a highly lucrative target for malicious parties, ranging from individuals operating by themselves to highly sophisticated organised crimes groups, which drives Playtech Security team to constantly strive for improved technologies, processes and skills to address these challenges.

The Playtech Security team oversees the operational, technical and organisational measures taken to protect the organisation from both cyber and physical security risks. Domains such as infrastructure, application, compliance and physical facilities are covered by a comprehensive security programme, which assures the safe and secure operation of Playtech's business. The Global Security team has a strong customer-centric approach with a focus on securing customer data; performing security tests and audits; monitoring activities around product applications and infrastructure; and educating licensees on the security capabilities of Playtech's platform.

Furthermore, the Playtech Security team provides input into the corporate risk register as well as provides monthly updates to the Board about the security programme, which includes annual audit activities, in-house and by licensees (ISO 27001, ISAE 3402, PCI-DSS, and global regulations), network security architecture, automation and governance, state-of-the-art protection of the Company's devices from malware, in-depth scanning of application code across Development teams to find security bugs and a 24x7 Security Operations Centre (SOC) team which monitors security incidents across the Company.

Compliance and responsible supply chain management

In 2023, Playtech refreshed its Group procurement policy to strengthen oversight and mitigate compliance, ethical and climate-related risks, and to ensure minimum standards are adhered to when entering joint ventures. The Company also formalised its Supplier Code of Conduct, approved by the Board, to collate Playtech's expectations on supplier conduct and seek suppliers' adherence to the Code, in light of evolving regulations and the need to meet expectations from businesses to work in a responsible ethical manner. Following the completion of the Compliance Healthcheck in 2022, Compliance continued to work closely with the Legal and Procurement functions to ensure appropriate procedures are in place, including reviewing risks arising from the supply chain and implementing mitigating actions.

Human rights

Playtech is committed to upholding the principles embodied in the Universal Declaration of Human Rights, as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Playtech's most salient human and labour rights issues relate to employment, data protection, procurement of goods and services, and AML, specifically ensuring that individuals involved in human trafficking and slavery are not laundering their money through Playtech's operations.

In 2023, Playtech published its seventh Modern Slavery Act statement, outlining the initiatives the Company is undertaking to understand and assess potential risks of modern slavery and human trafficking, which is available at www.playtech.com.

Key areas of focus for 2023 included reinforcement of processes and procedures for managing third parties used in employment practices, including audit procedures, and strengthening supplier human rights assessments. In 2023, Playtech continued to enhance its supplier risk profile to identify sectoral risks as well as risks from their geographical location. A risk assessment matrix was used, looking at sectoral risk, country risk and spend data to prioritise next steps. The Company has reviewed 140 supplier sectoral categories and has given a human rights and modern slavery risk rating from "low" to "high" to each category. The Group has identified 71 "high" and "medium" categories as priority categories. To identify country-specific risks, the Company took account of a number of external indices in its process, including the UN Human Development Index, Freedom House's Freedom in the World Civil Liberties, the US State Department's Trafficking in Persons report, the Global Slavery Vulnerability Index and the World Bank Worldwide Governance Indicators – Regulatory Quality, with the addition of the UNICEF Child Rights Atlas – Workplace Index. Using a combination of sectoral risks, country risks and a spend threshold, we have been able to identify the most relevant suppliers we wanted to engage with to mitigate any possible risks. In 2023, this group of suppliers represented 6.3% of our total spend.

In 2023, using the insights from the human rights risk assessment, Playtech initiated its engagement with the suppliers having been flagged in a high-risk sector and located in a high- risk country through a self-assessment questionnaire to confirm that they continue to uphold the same standard as Playtech. The Company will continue its engagement and in-depth review of its internal processes to ensure any gaps are identified and corrected. In addition, Playtech's Compliance team continues to monitor human rights flags as part of its risk monitoring of third parties, including suppliers, partners and licensees. The Company reviews any cases involving human rights flags on a case-by-case basis to assess risk and actions required.

Responsible business and sustainability continued

Human capital development

At Playtech, our people are the key to our success and at the heart of what we do. We aim to nurture a family-oriented, ethical and compliant culture that is underpinned by our values as well as our commitment to equal opportunity.

To continue to successfully grow our business, we aim to attract and retain top talent in our sector. We seek to ensure that our colleagues feel valued and rewarded as well as support our people to grow and develop personally and professionally. To support and reinforce these aims, Playtech introduced a new Global People Framework. This framework sets out the Company's people strategy across all elements of the colleague journey – from recruitment and onboarding to succession planning and personal and professional development.

Within the Global HR function, a new Centre of Excellence has been established to oversee the Company's strategic human capital management functions and commitments including talent management, learning and development, diversity, equity, inclusion and belonging (DEIB) and wellbeing.

Workforce engagement

It is important for the Group that its employees feel fulfilled, are satisfied with their working environment, and have been given the right tools and guidance to develop their skills, experience and career. With the launch of the Global People Framework, several new work streams have been formed to improve employee engagement and raise awareness of Playtech's corporate strategy, support the health and wellbeing of colleagues, and increase learning and development opportunities. The strategy is continuously monitored and assessed by the HR function.

In 2022, Playtech launched its first global employee engagement survey, and utilises an employee Net Promoter Score (eNPS) approach, to measure employee satisfaction. In the first baseline exercise, the Company received a 70% response rate on overall engagement, with a score at 8.2 out of 10. Playtech had an eNPS of 54% ("I would recommend Playtech as a great place to work"). The 2023 survey results had an overall engagement score of 8.1 out of 10, with an eNPS of 41%. In 2024, we are taking steps to boost and improve our engagement plan.

During the year, the Board conducted two site visits, to our Live studios in Michigan and Latvia, to engage with our employees. The Board and the Executive Management team hosted engagement sessions with different groups of employees and presented the Group's strategic aims.

Learning and Development

In 2023, Playtech has introduced a new leadership development function and strategy. As part of this strategy, we are embedding diversity and inclusion as a core part of the development programme for current and future leaders and managers.

During the year, the Company continued its second year of its global mentorship programme. This programme matches mentors and mentees, based on individual professional development needs and aspirations. The programme has been designed to complement our performance and talent management strategy, as a long-term form of training, learning and development. In addition to the main objective of supporting professional development, the programme will enable experienced colleagues to pass knowledge on to others, enriching their role as Playtech's leaders. The programme is designed to run for 12 months, and the programme will close in mid-2024.

"The programme provided me with not only personal and professional development but also a better understanding of the Company's structure and operations through the Colleague feedback on the mentorship programme."

Employee Excellence Awards and Recognition

Playtech has an annual Excellence Awards programme to celebrate the accomplishments, dedication and contributions of our colleagues around the world. These awards recognise the extraordinary achievements across eight categories, including business and commercial, technology and innovation, individual and team leadership and community impact.

This year a new category, the "Technical Champion award", was added to recognise employees who demonstrate outstanding commitment to technology skills development and implementation of technology to drive successful transformation initiatives across IT modernisation, cloud transformation, data management, security, employee productivity and customer experience. In 2023, 68 colleagues from 15 countries were recognised for their tremendous accomplishments.

Equality in the workplace
Playtech aims to foster a respectful and supportive workplace that enables every colleague to have the same opportunity regardless of backgrounds, cultures, beliefs, genders and ethnicities, or any other attributes. The Company has set out specific diversity commitments and a target to increase female representation amongst its leadership population, including Executive Management and senior management, to 35% by 2025 against a 2021 baseline, with an ultimate ambition to achieve equality in the workplace. Diversity, equity, inclusion and belonging are at the core of Playtech's strategy and we committed to:

1. promote an inclusive culture across the organisation;
2. build a more gender diverse workforce, increasing representation of gender at all levels and across all functions;
3. increase leadership representation of underrepresented groups; and
4. adopt a data-driven approach to increase workforce diversity at all levels of the organisation and across all functions.

The Board Sustainability and Public Policy Committee played and will continue to play a key role in engaging with business leaders on inclusion, challenging management to deliver against these commitments as well as monitor progress against the stated targets. The Board Diversity Policy, established in 2022, sets out its approach to ensure that diversity and inclusion is a core part of recruitment and succession planning at the Board.

To support the implementation of the strategy, the Company has refreshed its global recruitment policy, strengthening Playtech's commitment to recruit from a diverse, qualified group of candidates, thus broadening our talent pool and the Company's diversity of thought.

In 2022, the FCA finalised new rules on Board and Executive Committee diversity disclosures. For more information on Playtech's 2023 diversity disclosures, see page 113.

Raising awareness on diversity and wellbeing

As part of our global wellbeing framework, Playtech colleagues were invited to attend webinars covering a wide variety of topics from mental health and wellbeing to diversity and inclusion. In 2023, the Company partnered with external experts to deliver interesting and stimulating content. These are a few examples:

Guest speaker Emily Pattinson, a Senior Inclusion and Diversity Consultant from Inclusive Employers, hosted a webinar on "Supporting People with Disabilities" and how to help disabled colleagues in the workplace. This involved learning about what types of support a colleague with a disability may need and understanding the terminology as well as the global legal requirements.

SIX MHS held a session entitled "Let's Talk Addiction". Chair Tony Adams MBE introduced the speaker, sports journalist and writer Ian Ridely, who spoke about his own personal journey of addiction recovery.

On World Mental Health Day, Jenny Okolo, also of SIX MHS, took colleagues through an interactive session to improve their knowledge on diversity and inclusion and drive actions that promote and protect everyone's mental health as a universal human right.

To mark International Men's Day and "Movember", Dave Walsh shared his personal story of overcoming fears and challenges when diagnosed with multiple sclerosis. In a webinar entitled "Overcoming Adversity", Dave educated colleagues on how to better understand and support physical and mental wellbeing amongst men.

"One of the most empowering sessions to date. Dave demonstrates the power of positivity."

Colleague feedback on the "Overcoming Adversity" webinar

Responsible business and sustainability continued

Measuring progress on gender diversity

Playtech's strategy aims to foster inclusion, improve gender diversity and reduce the gender pay gap across our workforce. In 2023, Playtech saw progress against its global target to reach 35% female representation in leadership positions by 2025, reaching 30%, compared to 26% in 2022. In 2024, Playtech will continue to refine its understanding of gaps in female talent across the Group and take action to increase female retention.

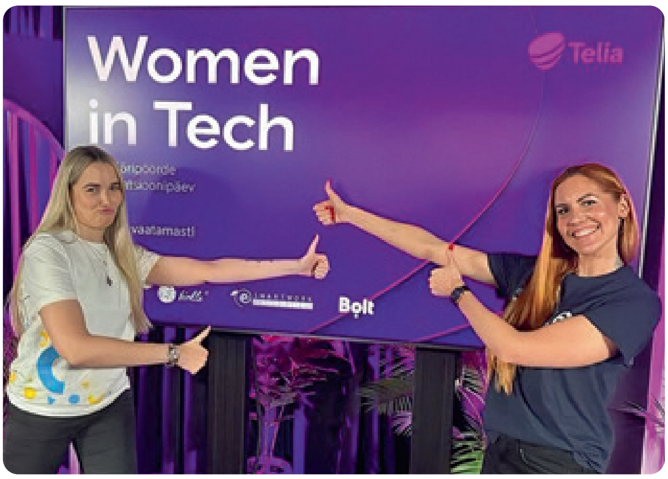
The FTSE Women Leaders Review, launched in 2016 as a follow-up to the Davies Review, is an independent review body which looks at the increase in the number of women on FTSE 350 boards. In February 2024, Playtech was recognised as one of the top 10 performers in the eighth annual FTSE 350 Women Count Report. Playtech ranks ninth place and is one of the 68 FTSE 350 companies that have already met or exceeded the target for Women in Leadership ahead of the target year, with 50.5% of its leadership positions (defined as Executive Committee and direct reports) held by women.

In 2021, Playtech signed up to the All-In Diversity project, an industry-led not-for-profit initiative to benchmark diversity, equality and inclusion for the global betting and gaming sector. In 2023, All-In Diversity released its fourth report on the sector's workforce, ranking Playtech among the top 12 companies. The latest findings continue to showcase the gambling sector as an effective barometer of emerging global trends, technology and changes in society and their impact on the workplace, and we were delighted to be listed alongside many of our industry peers.

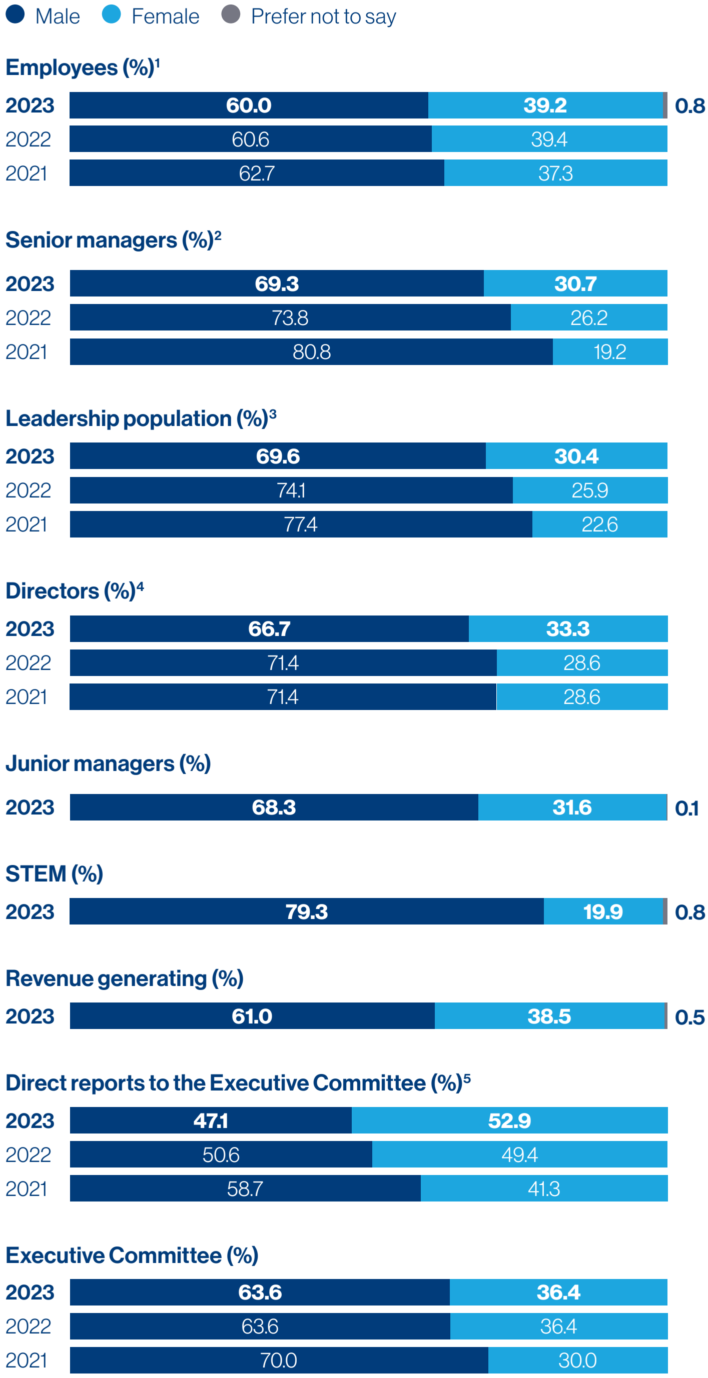
The Women in Gaming (WIG) Diversity and Inclusion Awards are aimed at recognising and celebrating the achievements of women in the industry including individuals, teams and organisations that have demonstrated exceptional commitment to promoting diversity and inclusion. In 2023, Playtech won the "Company of the Year" award, the "Excellence in Customer Service (Supplier)" award and the "Inspiration of the Year (Supplier)" award, which was won by Playtech-owned company Quickspin.

The Emerging Leaders of Gaming 40 Under 40 is a programme that recognises professionals under the age of 40 who are making a remarkable contribution to the casino gaming industry. In September 2023, the "Class of 2024" was announced in which Anastasia Kokova, Playtech's Subsidiary Director in Kyiv, Ukraine, was among the 40 honourees.

We continue to strengthen the rigour in performance management processes, including efforts to ensure that remuneration and promotion processes are fair and consistent. The key focus going into 2024 is to continue to collect and monitor our data in the UK and beyond and ensure the right behaviours in our leaders which in turn will promote a more inclusive culture and workforce.



Gender splits: The following charts illustrate the global diversity data and trends from 2021 to 2023.



1 Employees are defined as the total number of employees on the payroll on 31 December. Out of 7,957 employees, 61 preferred not to disclose their gender.
2 From 2021 onwards, senior managers are defined as the leadership population excluding any Board members (e.g. CEO, CFO).
3 Leadership population is defined as Executive Management and senior management, which includes managers with multiple departments or departments with complex and more highly technical responsibilities.
4 Directors are defined as Board Directors on 31 December.
5 Excludes administrative support staff.

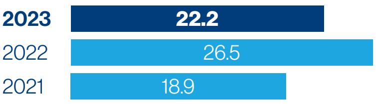
UK Gender Pay Gap data

One of the Group's priorities is to review and reduce the Gender Pay Gap (GPG) with a focus on reducing the median GPG, which is the middle pay point for males and females. The Company currently reports on the GPG in the UK. During 2023, Playtech initiated the enhancement of system capability to expand the reporting focus in other markets.

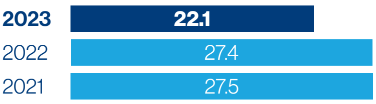
This year is the sixth anniversary of publishing UK GPG data for Playtech. The data analysis and graphical representations indicate a significant reduction of both the mean gender pay gap and the median pay gap. The mean pay gap dropped from 27.4% in 2022 to 22.1% and the median pay gap reduced to 22.2% in 2023 compared to 27.4% in 2022. This is due to the active work undertaken by our HR business partners who are responsible for providing support and advise across Playtech's business units on pay and fair and equal considerations across the different teams. However, our mean bonus gender gap has increased, from 41.1% in 2022 to 43.7% in 2023 as the Company continues to see higher representation of men in higher salaried roles. The proportion of males and females receiving a bonus has improved compared to last couple of years (63.3% males and 67.8% female in 2023 vs 64.9% males and 56.5% females in 2022 vs 80.7% males and 69.0% females in 2021) following continuous improvements to our internal processes and policies to reduce any possible bias and discrimination. Playtech acknowledges the gap remains and is committed to the necessary focus on the gender pay gap and will continue to promote a culture of diversity and inclusion.

Gender Pay Gap[1]

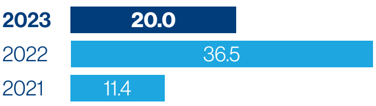
Median Gender Pay Gap (%)



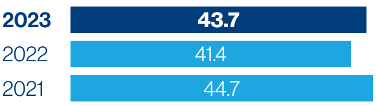
Mean Gender Pay Gap (%)



Median Gender Bonus Gap (%)



Mean Gender Bonus Gap (%)



1 Based on UK employees only. The numbers were calculated in line with the UK Government's requirements for reporting gender pay figures and cover payroll and bonuses paid up to 5 April 2021, 5 April 2022 and 5 April 2023 respectively.

Human capital metrics

In 2023, Playtech continued to report on its global retention and turnover rates as well as the total number of new hires, split by age groups.

The table below shows the global retention and turnover figures by age groups, in 2023, we also launched the "A Players" initiative to support our talent retention strategy by identifying top talent in the organisation. Playtech's continuing investment in human capital and attractiveness of our employment proposition is evidenced by the recruitment of 3,275 new hires during 2023.

	2023	2022	2021
Global employee retention rate	**63%**	**68%**	**65%**
Under 30 years old	38%	66%	
30-50 years old	78%	88%	
Above 50 years old	84%	93%	
Global employee turnover rate	**37%**	**38%**	**28%**
Voluntary rate	35%		
Involuntary rate	65%		
Under 30 years old	54%	63%	
30-50 years old	20%	23%	
Above 50 years old	13%	15%	
Total number of new hires	**3,275**	**3,155**	**2,400**
Under 30 years old	72%		
30-50 years old	27%		
Above 50 years old	1%		

Responsible business and sustainability continued

Quickspin gets moving to improve health and wellbeing

For the past six years Quickspin, a Swedish game studio owned by Playtech and based in Stockholm, has been running a health and wellbeing challenge for colleagues. The "Health-a-thon" is a challenge that entails setting and meeting wellbeing targets such as managing stress, improving focus or sleep, practising mindfulness, healthy eating or taking part in a physical activity – among others – and to do this while motivating and supporting each other to achieve goals. Each year the "missions" are changed to provide stimulating new targets. Participants took part in teams and tracked their activity through an app. As a further incentive, the winning team and those individuals in first and second place were able to make a donation - funded by Playtech – to a charitable organisation.

The challenge engaged 71% of office employees with 74 people spread over 13 teams taking part. Collectively, participants took approximately 5 million steps, which is equivalent to walking 11,135 kilometres – around the distance from Stockholm to Phuket. Participants managed to complete 916 missions, meaning on average each person completed 12 challenges, improving both their own health and wellbeing, creating team spirit and positively impacting the wellbeing of others.

The team donation of 15,000 SEK went to the Soborna Ukraine charity, which provides physical and psychological support for around 220 families that have been severely impacted by the war. The top two scoring individuals were both awarded a donation of 5,000 SEK – one was made to Save the Children Sweden and the other to the World Food Programme.

Health, safety and wellbeing

The post-pandemic landscape and hybrid working practices are redefining the most productive ways for businesses to engage with their employees.

Playtech recognises the importance of employee wellbeing. In 2023, Playtech continued to implement and scale its global wellbeing framework with a focus on physical, mental, financial and social wellbeing to cultivate a culture of support for its employees. The framework aims to ensure employees have access to a suite of support, advice and networking opportunities to help them be resilient, grow and succeed at work. In 2023, Playtech rolled out more than 250 wellbeing initiatives with a focus on physical, mental, financial and social wellbeing. Over 4,300 employees participated in one or more of these sessions.

Playtech has also partnered with SIX Mental Health Services (MHS) to offer free access to private and confidential mental health and wellbeing services for employees. Their services include a network of counsellors and specialists to support individual needs and advice, through one-to-one sessions with a network of therapists, counsellors and specialists. As part of our partnership, SIX MHS has established dedicated support for our colleagues which offers access to trained mental health professionals in both local languages and in English.

Line managers have played an instrumental role in supporting the Group's commitments to employee wellbeing, leading efforts to initiate and support team and individual wellbeing discussions as well as building awareness and breaking down stigmas about mental health, including discussions on gambling-related harm.

In August 2023, Playtech announced the official launch of its Global Benevolent Fund, an initiative to provide crucial financial support to colleagues and their immediate families who may encounter unforeseen, severe, life-changing challenges such as medical emergencies, severe illness and financial hardship. Since its inception the fund has already supported colleagues in need, covering hardships such as losing a family member and supporting long-term injuries and life-changing illnesses.

Snaitech operational health and safety

Snaitech's business operations are unique within Playtech's operations. The Italian operations comprise retail shops and racetracks, meaning the physical health and safety challenges are different and more material as compared with an office environment. Snaitech is committed to developing and promoting a culture of worker health and safety and is implementing a management system to ensure full compliance with local Italian legislation.

Occupational health and safety data[1]

	2023	2022	2021
Total number of accidents	**9**	8	10
Accident ratio			
Total number of accidents/working hours x 200,000[2]	**1.3**	1.1	1.6
Number of days lost to accidents	**310**	224	266
Severity of accident index			
Total days lost for accidents/working hours x 200,000[2]	**44.4**	31.9	41.3
Number of days of absence[3]	**10,077**	10,747	6,836

1 Covers Snaitech operations only.

2 200,000 is a fixed coefficient (50 working weeks x 40 hours x 100).

3 Number of days of absence in 2021 is defined as hours lost due to illness, which includes COVID-19.

Economic footprint

Playtech is headquartered in the UK, where the Parent Company, Playtech plc, is tax resident. Playtech engages in tax planning that supports its business and reflects commercial and economic activity. Playtech selects the location of its operations based on commercial and operational factors that extend well beyond tax, including: the prevailing regulatory environment available, a widely available pool of technical talent, the linguistic capabilities in these jurisdictions, the location of the Group's licensees, and labour and operational cost factors. The Group is committed to complying with all tax regulations in jurisdictions in which it operates and seeks to minimise the risk of uncertainty and disputes through proactive dialogue with the tax authorities and by obtaining third party expert advice, where appropriate.

Playtech has offices in 19 countries, with offices and commercial activities in multiple jurisdictions, with the majority of its development and technical operations in Ukraine, Estonia, Latvia, Bulgaria and Gibraltar. These locations are well known as technology hubs with a large population of highly skilled experts. The Group's presence in some markets, such as Austria, Australia and Italy, is a result of acquisitions.

Given the dynamic nature of tax rules, guidance and tax authority practice, the business is exposed to continuously evolving rules and practices governing the taxation of e-commerce and betting and gaming activities in countries in which the Group has a presence.

Such taxes may include corporate income tax, withholding taxes and indirect taxes. The Head of Tax keeps the Board and Executive Management fully informed of developments in domestic and international tax laws within jurisdictions where the Group has a presence. The Group has an appropriately qualified Tax team to manage its tax affairs.

During the year, the Board reviewed and adopted the Group's UK Tax Strategy Statement (available at www.playtech.com). The total adjusted tax charge for 2023 is €93.7 million (2022: tax credit of €54.9 million) and the effective tax rate for the current period is 37.4% (2022: 25.5%).

Responsible business and sustainability continued

Powering action for positive environmental impact

Climate change is a pressing concern for everyone, including our people, investors, governments and local communities. We recognise that urgent action is needed to substantially reduce the risks and impacts of climate change and that the Company has an important role to play in the sector and the countries and communities where it operates.

Commitments:

- Reduce Greenhouse Gas (GHG) emissions within our own operations and supply chain
- Build capability and climate resilience through decisive actions in both our own operations and supply chain
- Align to global climate efforts to transition to a low-carbon economy, in accordance with the latest climate science, and prioritise climate innovation

Targets and performance measures:

- Reduce Scope 1 and 2 (location-based) carbon footprint by 40% by 2025 against a 2018 baseline
- Track emissions reductions across our value chain

- Switch all offices, wherever possible, to renewable energy

- Secure approval of near-term and net zero targets by the Science Based Targets initiative (SBTi)

7,086 tCO_2

Scope 1 and 2 (location-based) emissions (excluding refrigerants, see page 72)

38.6%

Reduction since 2018 (baseline)

Policy and commitments

Playtech's Group Environmental policy outlines its commitment to reduce its environmental footprint as well as to buying renewable energy and engaging suppliers to reduce their supply chain emissions. In 2023, the Company refreshed its policy to reflect its near-term and net zero commitments and targets, as we set in motion our decarbonisation plan, following Playtech's formal commitment through the Science Based Targets initiative (SBTi). Playtech continued to focus on switching its operations to renewable energy, where possible. The Board and members of the executive management will be participating in refresher climate change training in early in 2024.

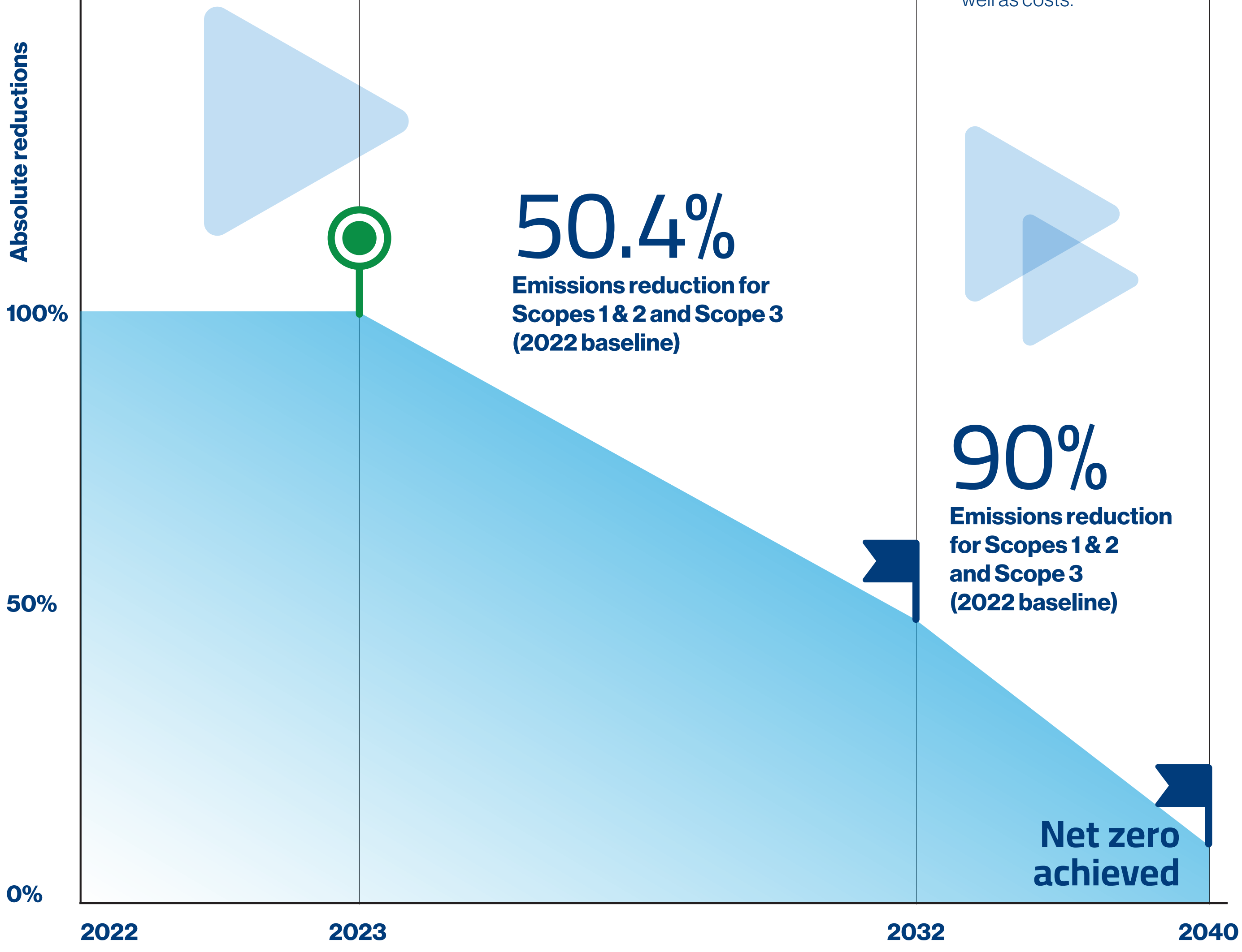
In 2023, Playtech continued its cross-functional Environment Forum chaired by the Head of Sustainability. The forum met three times during the year and its remit includes setting, co-ordinating and overseeing the strategy and response to the challenges posed by climate change. The forum drives progress against the Company's commitment to buying renewable energy and engaging suppliers to reduce Playtech's supply chain emissions. Its work on climate change includes reviewing the current GHG targets and strategy to ensure it aligns with the latest science on limiting the level of global warming below 1.5°C and evolving regulatory and reporting framework.

Our path to net zero

- **Drove forward our transition to renewable electricity in key markets where we operate.**
- **56% of our total energy consumption coming from renewable sources.**
- **Publicly committed to setting a near-term (emissions reduction) and long-term (net zero) the Science Based Target initiative (SBTi).**

- In early 2024, the SBTi approved Playtech's near-term science-based emissions target by 2032. Playtech has also committed to set long-term emissions reduction targets with SBTi in line with reaching net zero by 2040.
- Set in motion our emissions reduction action plans for engagement with our franchises and suppliers to decarbonise, focusing on our growth driving operations.
- Establish clear energy efficiency programmes in place across our offices and obtain renewable energy certificates in our site locations, where green energy is available.

- Meet our 50.4% near-term global emissions reduction target and focus on the next phase to net zero.
- Expand our emissions reduction action plans across our operations by engaging with actors within our value chain.
- Shift our technology and infrastructure portfolio, including the use of AI, towards the reduction of carbon emissions as well as costs.



Responsible business and sustainability continued

Environment metrics

In line with the UK Streamlined Energy and Carbon Reporting Regulation (SECR) requirements for 2023, Playtech has reported its Scope 1, Scope 2 GHG emissions and energy consumption figures for the UK. During 2023, Playtech worked to strengthen the completeness of its Scope 1, 2 and 3 footprint as it prepared its submission to the SBTi. This involved investigating known exclusions to determine whether they continue to be immaterial to the overall emissions footprint:

- global exclusions: GHG emissions from the use of refrigerants (Scope 1); and
- partial exclusions:
  - GHG emissions from the treatment of waste generated in operations (Scope 3, Category 5): previous reporting only included Snaitech operations due to data availability;
  - GHG emissions from employee commuting (Scope 3, Category 7): previous reporting only included Snaitech operations due to data availability; and
  - GHG emissions from HAPPYBET franchises (Scope 3, Category 14): previous reporting only included Snaitech franchises. These number around 10,000, while there are around 100 HAPPYBET franchises.

Playtech's materiality threshold for restating previously reported data is 5%. Together, the exclusions set out above represented 5.0% of the Company's total 2022 Scope 1, 2 (location-based) and 3 footprint. However, the difference in disaggregated reported metrics is material, particularly for Scope 1 GHG emissions as the inclusion of refrigerants increases Scope 1 emissions by 143% from the reported metric in 2022.

In addition, Playtech has now also calculated its Well-To-Tank emissions in Scope 3, Categories 4, 6, 7, and 9 to improve the comprehensiveness of its Scope 3 footprint as part of its SBTi submission.

In order to aid compatibility, Playtech has restated its Scope 1, Scope 3 total and breakdown by category GHG emissions for 2022. Unfortunately, data for 2021 is not available.

In 2019, Playtech introduced a GHG emissions target to guide its energy-reduction efforts. The Company's ambition is to reduce its absolute Scope 1 and 2 (location-based) GHG emissions by 40% by 2025, using 2018 as the baseline year. This target excluded emissions from refrigerants, which had not yet been considered in 2018. Playtech's Scope 1 and 2 (location-based) emissions, excluding refrigerants, were 7,086 tonnes CO_2-equivalent (CO_2e) in 2023. This is a 38.6% reduction compared to the 2018 baseline (11,543 tonnes CO_2e).

In 2023, Playtech's total Scope 1 and 2 (location-based) emissions, including refrigerants, decreased by 0.9% compared to 2022. While Scope 1 emissions, both from energy and refrigerants, decreased by 8.9% due to a decrease in energy consumption and refrigerant usage, Scope 2, Location-based emissions increased by 3.4%. This increase in emissions is explained mainly by the increasing emission intensity of the electricity grids in the countries where the Company operates, which averaged 5.1% (weighted by total electricity consumption per country) in 2023. While Playtech cannot influence the electricity grid intensity in the countries where it operates, it can influence its own energy consumption. Total energy consumption decreased by 3.4% compared to 2022. This was achieved by a combination of energy saving measures, supported by environmental specialists and a central fund for energy reduction projects. Playtech will redouble these efforts in 2023, in pursuit of its target. Normalised per Full-Time Equivalent (FTE) employees, total Scope 1 and 2 (location-based) emissions including refrigerants decreased by 11.3% due to an increase in headcount by 12.1%.

During 2023, Playtech continued to its transition to renewable electricity in the key markets where the Company operates. This has resulted in 57.2% of the Company's total energy consumption now coming from renewable sources, backed up by energy attribute certificates, up from 56.4% in 2022.

Playtech recognises the environmental impact across its global value chain. The Company therefore conducts an annual Scope 3 footprint. In the process, the Group has followed the GHG protocol guidance to calculate those emissions, based on a combination of financial and actual supplier data. The Company is committed to increasing engagement with key suppliers on their emissions and gathering more actual data to continuously improve the accuracy of Scope 3 figures in future years. As part of this annual exercise, Playtech determines which of the 15 categories listed by the GHG Protocol Corporate Value Chain (Scope 3) Standard are relevant to the Company and therefore should be included in its Scope 3 footprint. Thirteen out of the fifteen categories were identified as being relevant to the Company and two were not relevant for Playtech. All relevant categories have been calculated.

Playtech's Scope 3 GHG emissions are over 90% of its total carbon footprint and out of the 15 Scope 3 categories, the Company's top three material categories are "products and services", "capital goods" and "franchises".

The consumption of water across the Playtech Group decreased by 23.3% in 2023, of which the racetracks saw a 28.8% decrease in water consumption. Playtech continues to manage and report on waste produced for Playtech's Italian operations, Snaitech. Snaitech runs a retail operation and three racetracks, which means the environmental impact profile is different from the rest of the Company's markets. In 2023, Snaitech's total non-hazardous waste production increased by 10.9%. The volume that is reused or recycled increased by 11.0%, while the volume sent to landfill has decreased to 0.01 tonnes compared to 5.69 tonnes in 2022.

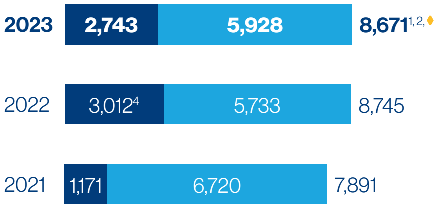
External assurance and benchmarking

We engaged PricewaterhouseCoopers LLP ('PwC') to undertake a limited assurance engagement, reporting to Playtech plc only, using the International Standard on Assurance Engagements ('ISAE') 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and ISAE 3410: 'Assurance Engagements on Greenhouse Gas Statements' over Playtech's 2023 GHG reporting (Scope 1 emissions, Scope 2 (location-based) emissions, Scope 2 (market-based), Scope 1 & 2 intensity per FTE employee and Scope 3, Categories 1, 2, 3, and 14). The assured data can be found in the Responsible Business and Sustainability Addendum to the Annual Report 2023. PwC has provided an unqualified opinion in relation to the relevant KPIs and data and their full assurance opinion is available on the Playtech website, www.investors.playtech.com/sustainability. Non-financial performance information, including greenhouse gas quantification in particular, is subject to more inherent limitations than financial information. It is important to read the selected GHG information contained in the Responsible Business and Sustainability Addendum to the Annual Report 2023in the context of PwC's full limited assurance opinion and the reporting criteria found within the reporting methodology section of the Responsible Business and Sustainability Addendum to the Annual Report 2023, which are also available on the Playtech website, www.investors.playtech.com/sustainability.

Environment metrics

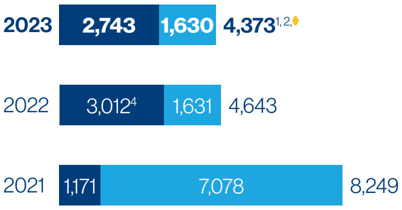
Global Scope 1 and 2 GHG emissions (location-based)

- Global Scope 1 (tonnes CO_2e)
- Global Scope 2 (location-based) (tonnes CO_2e)



Global Scope 1 and 2 GHG emissions (market-based)

- Global Scope 1 (tonnes CO_2e)
- Global Scope 2 (market-based) (tonnes CO_2e)

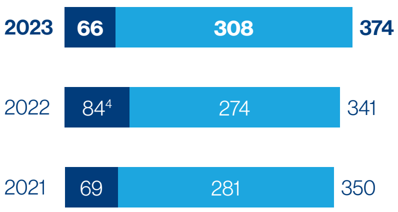


Playtech's total carbon footprint (in 2023)[3]♦

- Global Scope 1 2,743 tCO_2e
- Global Scope 2 (market-based) 1,630 tCO_2e
- Global Scope 3 106,641 tCO_2e

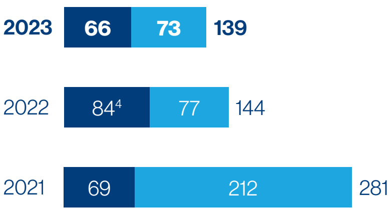
UK Scope 1 and 2 GHG emissions (location-based)[1,2]

- UK Scope 1 (tonnes CO_2e)
- UK Scope 2 (location-based) (tonnes CO_2e)



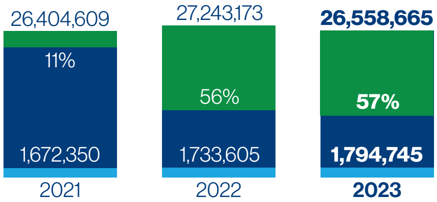
UK Scope 1 and 2 GHG emissions (market-based)[1,2]

- UK Scope 1 (tonnes CO_2e)
- UK Scope 2 (market-based) (tonnes CO_2e)



Global and UK energy consumption[1,2]

- Global total energy consumption (kWh)
- UK total energy consumption (kWh)
- From renewable sources (%)



♦ Indicates data extracted from the Responsible Business and Sustainability Addendum to the Annual Report 2023 where it has been subject to independent limited assurance by PricewaterhouseCoopers LLP (PwC). The full assurance statement over 2023 data can be found at www.investors.playtech.com/sustainability. The data for previous years, where assured, is detailed in the respective Annual Reports.

1 2023 absolute data is an estimate based on 99.0% actual data coverage by headcount. Coverage has been above 99% for all three years.

2 Due to reporting timelines, data for November and December 2023 has been estimated using November and December 2022 actual data, except for sites where actual 2023 data was already available. This is the same methodology that was applied for all three years.

3 Detailed breakdown on the Scope 3 categories, including calculation methods and scope, can be found in the Responsible Business and Sustainability Addendum to the Annual Report 2023.

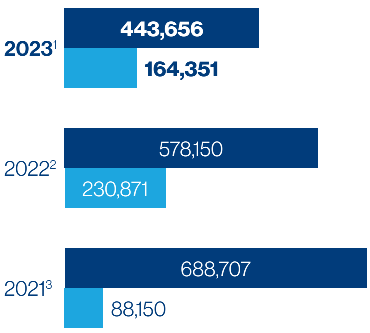
4 Restated to include fugitive emissions from refrigerant usage.

Intensity

- Scope 1 and 2 (market-based) GHG intensity
- Scope 1 and 2 (location-based) GHG intensity♦

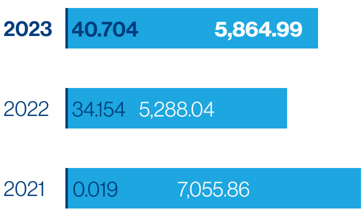
Global water consumption

- Total water consumption (m^3)
- Water consumption for watering racetracks (m^3)



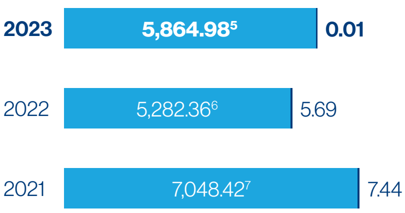
Total waste produced[4]

- Hazardous waste (tonnes)
- Total waste produced (tonnes)



Waste production by treatment[4]

- Sent to landfill (tonnes)
- Reused or recycled (tonnes)



1 Estimate based on 75% actual data coverage by headcount.

2 Estimate based on 78% actual data coverage by headcount.

3 Estimate based on 73% actual data coverage by headcount.

4 Data covering Snaitech operations only. Actual data based on 100% actual data coverage by headcount.

5 This figure is split between racetracks (manure/by-product of animal origin – 5,300), racetracks (other – 378), and offices (186).

6 This figure is split between racetracks (manure/by-product of animal origin – 4,292) racetracks (other – 779) and offices (2012).

7 This figure is split between racetracks (manure/by-product of animal origin – 6,946), racetracks (other – 358) and offices (195).

A partnership with Hubbub to empower employees on taking positive environmental action

In 2023, Playtech teamed up with Hubbub, an award-winning environmental charity designing creative campaigns to inspire sustainable and practical actions. Playtech is proud to be part of Hubbub's growing network of over 2,300 organisations, from international businesses to community groups. Through these partnerships, Hubbub has already delivered over 100 campaigns and inspired over 800,000 people to take action to protect the environment around them.

Playtech's one-year partnership with Hubbub includes four campaigns, each with a different focus, but all geared towards making colleagues better stewards of the environment at home, at work and in their communities.

We kicked off the partnership with Playtech's "Sustainability Listening Project", a study of Playtech colleagues' behaviours and aspirations around sustainable living. Over 400 colleagues took part, with eight in ten stating they wanted Playtech to support them in living more sustainably and to provide tips on energy usage both at work and at home, and 75% stating they are proud to work for an employer that is prioritising sustainability.

The second campaign was Playtech's "Global Tech Check", a three-week Company-wide effort to tackle the fastest growing waste stream in the world, electronic waste. Playtech colleagues globally committed to reduce electronic waste by recycling their non-working technical items and donating working devices to people who need them. Over four weeks 581 items were collected – 482 for recycling in an effort to keep harmful toxins out of landfill and 99 working devices for rehoming.

In response to the Playtech community's wish to know more about saving energy, Hubbub designed an educational campaign called "Power Down, Save Up" to help colleagues save energy and money during the winter. We launched the campaign in November with an interactive online workshop to provide an overview of what Playtech is doing as a company to reduce energy usage, as well as tips and tricks from Hubbub to dial down personal energy use and save money. The fourth campaign will be rolled out in spring 2024.

"Colleagues are the bedrock of corporate sustainability – showing how much change is possible when people come together – and it's been brilliant to see so many Playtech colleagues getting involved in environmental action throughout 2023. From speaking up and sharing ideas to inform the sustainability strategy, to donating tech to fight e-waste, and dialling down energy to save carbon... we've been amazed by the engagement and involvement."

Natasha Gammell
Creative Partner at Hubbub

TCFD statement

Playtech has embraced the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a framework that allows it to report consistently on the opportunities and challenges presented by climate change and provide information on how these might impact strategy and financial performance. Our approach in this area is evolving in line with developing best practice.

This section sets out Playtech's climate-related financial disclosures, current approach and future plans, consistent with all of the Task Force on Climate-related Financial Disclosures (TCFD) recommended disclosures, in compliance with the Financial Conduct Authority (FCA) Listing Rule 9.8.6R(8) and Companies Act Climate-related Financial Disclosure (CFD) requirements. In the following statement, we outline our compliance with all the elements of the TCFD, including the four TCFD recommendations and the 11 recommended disclosures.

Governance (CFD a)

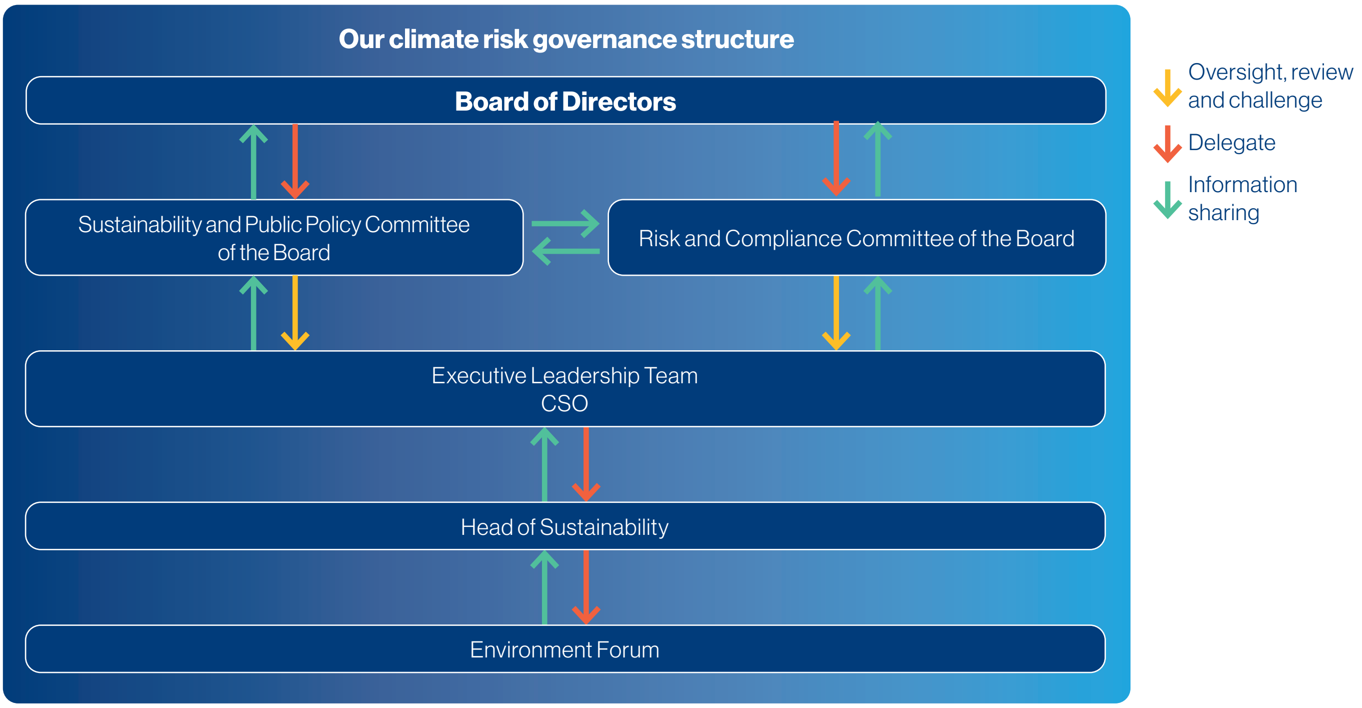
Current approach

In 2021, Playtech's Board of Directors officially formed a Sustainability and Public Policy Board Committee with the first meeting in November 2021. Since then, this Committee has set the agenda and monitored the implementation of the responsible business and sustainability strategy.

The Sustainability and Public Policy Committee of the Board has responsibility for overseeing sustainability – including climate-related matters – and reviewing the strategies, policies and performance of the Playtech Group. In 2023, the Committee held four meetings and considers the climate change aspects of business plans, internal resourcing, expansion and disposal of activities, and capital expenditure. Oversight of climate-related risks, opportunities and strategy sits with this Committee. This Committee will continue to meet quarterly and review climate-related issues as part of the standing agenda. The Chair of the Committee serves as the Board-level champion on these topics and reports to the Board on climate-related issues annually.

The Risk and Compliance Board Committee also reports to the Board on climate-related issues annually.

The frequency with which the full Board considers climate-related risks and opportunities was agreed in 2022 with these matters now discussed biannually.



Responsible business and sustainability continued

Governance (CFD a) continued

Current approach continued

Each member of the Sustainability and Public Policy Committee received training covering ESG and regulatory developments (page 61). In 2022, the Board participated in a detailed climate tutorial covering the physical science basis and regulatory, investor and corporate trends, delivered by external advisers specialised in sustainability.

In 2022, Playtech appointed a Chief Sustainability and Corporate Affairs Officer, who is a member of the Company's Executive Management Committee, and attends the Sustainability and Public Policy Board Committee. The Sustainability function sits within the Corporate Affairs and Sustainability function and holds the day-to-day responsibility and oversight of regulatory compliance and responsible business, along with the Regulatory Affairs and Compliance function. The Chief Compliance Officer is also a member of the Executive Management Committee and attends the Risk and Compliance and Sustainability and Public Policy Board Committees.

Playtech has a cross-functional Environment Forum which is chaired by the Head of Sustainability, who reports into the Chief Sustainability and Corporate Affairs Officer. This Forum is attended by senior representatives from Audit; Risk; the Chief Operating Officer's office; Infrastructure and Technology; Investor Relations; Procurement; Site Operations; and other functions. It meets quarterly to:

- develop, review and update Playtech's climate policies and targets as necessary;
- identify climate risks and opportunities and develop risk management strategies;
- review and define actions to comply with evolving regulatory reporting requirements and voluntary reporting frameworks; and
- allocate the annual environmental budget.

Playtech's governance structure for climate-related risks and opportunities is summarised in the graphic opposite. External ESG consultants support the Environment Forum, Head of Sustainability, CSO, and are periodically invited to join meetings of the Sustainability and Public Policy Committee of the Board as well as the full Board.

Future plans

The full Board will continue to receive training on climate change as part of wider sustainability training that will provide information on the latest climate science and how the public policy agenda is developing in this area. Playtech will continue to review and, if necessary, adapt the Group's governance process to ensure alignment with emerging good practice.

Read more on training on **page 61**

Strategy (CFD b)

Current approach

Playtech has identified various climate-related risks and opportunities following the scenario analysis exercise that was completed in 2021 and updated in 2022. Playtech quantified their impact where possible and has expanded the number of risks and opportunities that were quantified in 2023. Playtech reviews its business strategy resilience and management approach for each identified risk or opportunity annually.

During 2023, Playtech has also developed a net zero roadmap in support of its commitment to near-term Science-Based Targets and long-term net zero target. By implementing this roadmap, the Company aims to reduce its exposure to climate-related transition risks and strengthen its ability to capture opportunities.

Future plans

Playtech plans to undertake a further scenario exercise in 2024 to take into account the latest climate science transition pathways and internal business information. Playtech also intends to continue to monitor external tools and the latest climate science to assess the physical and transition risks associated with climate change and report on how this has guided our strategy in future reports.

Read more on:
Scenario analysis and climate-related risks and opportunities on **pages 78 to 81**
Risk management, principal risks and uncertainties on **pages 95 to 100**
Net zero roadmap on **page 71**

Risk management (CFD c)

Current approach

The Board is responsible for determining the nature and extent of the significant risks it is willing to accept in achieving its long-term strategic objectives. Through its role in monitoring the ongoing risks across the business, the Risk and Compliance Committee advises the Board on current and future risk strategies. The primary responsibilities delegated to, and discharged by, the Risk and Compliance Committee include:

- reviewing management's identification and mitigation of key risks to the achievement of the Company's objectives;
- monitoring incidents and remedial activity;
- agreeing and monitoring the risk assessment programme including, in particular, changes to the regulation of online gambling and the assessment of licensees' suitability;
- reviewing and assessing climate-related risks in the context of Group-wide risk;
- agreeing on behalf of the Board and continually reviewing the risk management strategy and relevant policies for the Group;
- satisfying itself and reporting to the Board that the structures, processes and responsibilities for identifying and managing risks are adequate; and
- monitoring and procuring ongoing compliance with the conditions of the regulatory licences held by the Group.

Climate-related risks are identified through various channels including quarterly Environment Forum meetings and the climate scenario analysis exercise completed in 2021 and updated in 2022.

Presentations for these meetings include reviews of current national climate policies in the key markets where Playtech operates. The identified risks are assessed by the Head of Sustainability with support from external sustainability advisers and the relevant functions within Playtech. The Head of Sustainability is responsible for updating the Group Internal Audit and Risk function on climate-related risks, which includes a description of the risk, risk categorisation, type, impact and likelihood, mitigation and validity. This information is approved by the Company's Director of Internal Audit and Risk.

All types of climate-related risks and opportunities are considered through the above process, including transition risks (policy and legal, technology, market and reputation); physical risks (acute and chronic); and opportunities (resource efficiency, energy source, products/services, markets and resilience).

The Head of Sustainability is responsible for co-ordinating the management of climate-related risks across Playtech's business. This includes setting the Company's climate strategy, which includes its GHG reduction targets, Environment Policy, collecting and analysing environmental data to identify hotspots, defining and agreeing reduction plans and engaging country leadership teams and key asset managers.

Playtech began assessing climate-related risks and opportunities specifically in 2020 and completed its first scenario analysis in 2021. In 2022, the Company adopted a more systematic approach to reviewing, updating and monitoring climate risks as governance and management processes were further embedded and matured.

The Company's focus was also on shifting sites to renewable electricity where possible and starting to engage with the Company's Procurement function, including through a climate change due diligence questionnaire for new suppliers. Additionally, the Company incorporated climate change into its consideration of risk and viability for the business as a whole.

Climate-related risks are considered as part of the overall risk process. The Group Internal Audit and Risk function collects information on risks from stakeholders across the business, which is then presented to the Group Risk Management Committee (Executive Management Committee) and Board Risk and Compliance Committee (Board Committee).

Climate-related risks are monitored as part of the sustainability strategy and Compliance and Regulatory Affairs risk processes. The Sustainability and Public Policy Committee of the Board feeds into the identification, assessment and management of climate-related risks, which are integrated into the Group risk process by the Head of Sustainability.

Read more on:
Scenario analysis and climate-related risks and opportunities on **pages 78 to 81**
Risk management, principal risks and uncertainties on **pages 95 to 100**

Metrics and targets (CFD g & h)

Current approach

In 2021, Playtech started to quantify the financial impact of climate-related risks.

In 2022, Playtech strengthened the methodology and approach around quantification of climate-related risks and broadened the number of quantified risks and opportunities. This work has continued in 2023, with further risks and opportunities being quantified. This has provided the Company with a clearer understanding of the nature and scale of the challenges it faces.

Playtech has disclosed its Scope 1 and 2 (location-based) emissions annually in the Environment section of the Annual Report and to CDP. The Company started disclosing Scope 2 (market-based) and Scope 3 emissions in 2021. Playtech continues to disclose this information in this report.

Playtech has set a target to reduce its absolute Scope 1 and 2 (location-based) GHG emissions by 40% by 2025 from a 2018 baseline. Progress is monitored annually as part of the year-end Non-Financial Reporting process and captured in the Global Sustainability Scorecard.

In 2021, Playtech carried out its first Scope 3 footprint and calculated market-based Scope 2 emissions, which were prerequisites for setting a science-based target (SBT) – that is, an emissions reduction target that aligns with the latest climate science.

In 2022, Playtech publicly committed to setting a near-term (emissions reduction) and long-term (net zero) SBT, to be validated by the SBTi. The Company submitted its target for validation in 2023 and is currently going through the validation process with SBTi. In early 2024, the SBTi approved Playtech's near term science-based emissions target, a 50.4% reduction in its scope 1 and 2 and scope 3 emissions by 2032. Playtech has also committed to set long-term emissions reduction targets with SBTi in line with reaching net zero by 2040.

Future plans

We will continue to refine our approach to quantification of climate risk. We will also look to develop a suite of indicators beyond tracking our own Scope 1, 2 and 3 GHG emissions that will provide the Board and senior management with a view of how those risks impact the delivery of our strategy over the short, medium and long term.

Read more on:
Scenario analysis and climate-related risks and opportunities on **pages 78 to 81**
Scope 1, 2 and 3 emissions on **pages 72 and 73**
Group Sustainability Scorecard on **page 54 and 55**

Responsible business and sustainability continued

Scenario analysis and climate-related risks and opportunities

In 2022, Playtech conducted its second scenario analysis, building on the extensive scenario analysis conducted in 2021. The scenarios used in 2021 were updated based on the latest information from the Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA). Three workshops were held with Subject-Matter Experts from across the different business units and countries where Playtech operates to consider the outcomes from the 2021 analysis and identify any changes. The Company was again supported by Carnstone, a management consultancy specialised in sustainability and ESG. The outputs of this work were reviewed in 2023 and are considered to still be representative for Playtech.

Playtech's scenarios and the external scenarios that fed into Playtech's scenarios are summarised in the table below and comply with the TCFD guidelines to use a range of scenarios that provide a reasonable diversity of potential future climate states, including a 2°C or lower scenario. Playtech selected a 1.5°C scenario because that is the level of global warming that is considered "safe" by climate scientists and is the level of warming the global community is aiming to achieve by 2100; a 2°C scenario because this is considered a more likely outcome considering the scale of the challenge to limit global warming to 1.5°C; and a 3°C scenario as a reasonable worst case scenario, assuming no new policies are announced to further limit global warming. The scenarios draw on the IPCC's Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs); the IEA's World Energy Outlook scenarios; and the Principles for Responsible Investment's (PRI's) Inevitable Policy Response (IPR) scenarios. Because scenarios are models of the future and not precise predictions, the scenarios refer to global warming outcomes and the path towards those outcomes on a decadal level. The scenarios use a mix of qualitative and quantitative information and were applied through three lenses: Operations (key markets and assets); Supply Chain; and Customers and Consumers. As Playtech is a global company with assets in 20 markets, the scenarios considered both global climate impacts and specific local impacts in its key markets.

Climate-related risks are regularly monitored by the executive cross-functional Environment Forum, the Sustainability and Public Policy Committee of the Board, as well as the Risk and Compliance Committee of the Board. They are also considered as part of the Risk and Compliance Committee's biannual review of risks across the Group.

		1.5°C scenario	2°C scenario	3°C scenario
Playtech's scenarios	Summary: physical aspects	Increase in heatwaves, extreme weather events (precipitation, droughts, storms), floods, species extinctions and wildfires over current conditions, but slow and broadly manageable across most geographies.	Increase in heatwaves, extreme weather events and wildfires which reach unmanageable levels in some geographies by the 2040s. Water availability for agriculture, hydropower and human settlements severely diminished from the 2040s. High flood damages. Significant adaptation necessary and frequent disruption expected.	Various areas of the world become uninhabitable due to intense heatwaves, droughts, or combinations of both. Heavy precipitation events, and longer and more intense wildfire seasons covering more areas of the globe lead to a constant state of disruption. Floods cause widespread disruption, including to coastal infrastructure such as ports. Species extinctions and severe water shortages prevent the production of key commodities including foods. By 2100, sea level rise is becoming a problem for low-lying coastal areas.
	Summary: transition aspects	Significant, rapid and disruptive policy change across carbon pricing, energy, transport, buildings and deforestation. Rapid phase-out of fossil fuels in the 2030s and 2040s. Every policy decision has a climate angle. Global GHG emissions peak by 2025 and reach net zero by the early 2050s.	New policies are implemented over current levels, in a slow and inconsistent manner. Carbon prices and other limits on emissions are implemented but the cost of emitting grows in a slow and steady manner. The electrification of transport and buildings does not pick up much pace. Global GHG emissions peak in the 2020s and reach net zero in the 2070s.	Climate policies are maintained at current levels, with major economies reducing emissions gradually over the next 30 years and reach net zero around 2050. New technologies are not deployed as fast as predicted, and the world remains reliant on fossil fuels with widespread use of Carbon Capture & Storage (CCS) by the second half of the century. Globally, GHG emissions continue to rise.
External scenarios	IPCC Scenarios	RCP2.6/SSP1	RCP4.5/SSP2	RCP6.0/SSP5
	IEA Scenarios	Sustainable Development	New Policies	Current Policies
	Other Scenarios	PRI IPR: 1.5°C Required Policy Scenario	PRI IPR: Forecast Policy Scenario	
	Other data sources	Climate Analytics, Climate Impact Explorer; Climate Interactive, EN-ROADS Climate Change Solutions Simulator; Network for Greening the Financial System, Climate Scenarios Phase 2; World Bank, Climate Knowledge Portal and World Resources Institute, Aqueduct Water Risk Atlas		

Playtech routinely monitors the status of climate regulation in its key markets to ensure that its GHG reduction targets keep pace with regulatory changes.

The risks and opportunities that were identified as part of the climate scenario analysis are summarised in the table below. The Company defines short term as <one year; medium term as one to five years; and long term as >five years.

Therefore, very high impacts are impacts aligned with the Group materiality as set out in the Independent Auditor's Report on page 158. The Company attempted to calculate the financial impact of each risk and opportunity. For some, however, this was not yet possible due to a lack of data. Playtech will aim to increase the number of risks and opportunities for which impacts were quantified year on year as more data becomes available. For the risks and opportunities where the financial impact was determined and quantified, it was calculated based on a combination of projections on the physical impacts of climate on specific locations, projections on the societal responses to certain future climate states, both from reputable data sources described in the Climate scenarios and sources table and information gathered from within the business.

These quantifications were conducted across 2021 and 2022 for the most part, with the exception of the risk related to water stress, the risk related to disruption to supply chains of IT equipment, and the risk related to employee productivity, which were quantified in 2023. Playtech remains committed to update its scenario analysis, and quantification of the identified risks and opportunities, at least every three years in line with the TCFD recommendations.

The outcomes of the climate scenario analysis are reflected in the risk register on pages 97 to 100. The management approaches identified for likely risks and opportunities are being explored, such as investment in renewable energy generation at key assets. Going forward, Playtech will continue to update its scenario analysis on an annual basis as more information becomes available on the possible climate futures that humanity faces and their impacts on business. The results of these exercises will be reported to the Board at least annually through the Sustainability and Public Policy Committee.

Key

Risk Opportunity

L Low: <€1m M Medium: €1m – €5m H High: €5m – €10m V Very high: >€10m N Not yet quantified

Denotes potential positive financial impact Denotes potential negative financial impact

Physical risks

TCFD category	Description	Applicable scenario(s)	Time horizon	Materiality	Management approach
Acute	Cancellation of sports events due to high temperatures or extreme weather events. Likelihood: Impact: Loss of revenue and/or higher operating costs.	1.5°C 2°C 3°C	Medium- and long-term	L L L	Move to night time events, which would result in higher operating costs due to the necessary lighting. Invest in the most energy-efficient lighting available and/or on-site renewables. Renew racetracks with more resilient all-weather surfaces.
Acute	Water stress causing disruption to horse racetracks and third-party data centres. Likelihood: Impact: Higher operating costs and temporary disruption to operations.	2°C 3°C	Medium- and long-term	L L	IT function risk assess and stress test data centres, based on age, location and in-person visits. Invest in water efficient equipment, rainwater treatment and storage facilities, and water-saving measures. Renew racetracks with more resilient all-weather surfaces.
Chronic	Higher energy costs to cool buildings, including third-party data centres, Live studios and offices due to higher temperatures. Likelihood: Impact: Higher operating costs.	1.5°C 2°C 3°C	Short-, medium- and long-term	L L L	Invest in energy-saving measures and on-site renewables.
Acute	Reduced employee productivity and ability to commute during heatwaves. Likelihood: Impact: Disruption to operations and higher operating costs.	1.5°C 2°C 3°C	Medium- and long-term	L M M	Playtech already has a strong hybrid working culture and demonstrated an ability to perform while large parts of the business were fully working from home during the COVID-19 pandemic. Emergency air-conditioned transport could also be offered to employees where working from home is not an option (for example dealers in Live studios). Increase budgets to support employee benefits, if necessary.

Responsible business and sustainability continued

Physical risks continued

TCFD category	Description	Applicable scenario(s)	Time horizon	Materiality	Management approach
Acute	Disruption to supply chains of key IT equipment due to extreme weather events. Force majeure clauses being used more, making it more difficult to be nimble. Likelihood: Impact: Disruption to operations.	1.5°C 2°C 3°C	Medium and long term	L L L	Key business units are already stocking up on hardware and components to ensure business continuity and building price premiums for priority delivery into budgets. In addition, investment in the capacity to quickly relocate stocks where needed.
Chronic	Temporary or permanent closure, or investment in adaptation, of owned assets and third-party data centres due to unsuitability for climate impacts. Likelihood: Impact: Higher capital investment, write-off of assets and higher operating costs.	2°C 3°C	Long term	L L	When expanding into new markets or planning new assets, the resilience of those locations to the impacts of climate change will need to be taken into account. Feasibility studies on the adaptability of current buildings for projected climate impacts. Maintenance and periodic update of business continuity plans. Risk assess and stress test data centres, based on age, location and in-person visits.
Chronic	Higher employee-related costs due to inflationary pressures from climate change and health impacts. Likelihood: Impact: Higher operating costs.	3°C	Long term	V	Monitor and adapt employee-related budgets as necessary.
Chronic	Global economic, political, and societal instability, for example due to migration, unavailability of key life goods, culture change. Likelihood: Impact: Disruption of operations and higher taxation.	2°C 3°C	Long term	N N	Monitor the business and political climate in key markets on an ongoing basis.
Chronic	Extreme weather events and sea level rise would lead to high investment required to keep vulnerable assets operational, including the Italian retail network and Live studios in North and South America, including in New Jersey. Likelihood: Impact: Higher capital investment, write-off of assets and disruption to operations.	3°C	Long term	N	Factor future investment into financial planning. Consider future suitability of locations when expanding. Invest in flood defences where possible or absorb costs of relocation where not.

Transitional risks and opportunities

TCFD category	Description	Applicable scenario(s)	Time horizon	Materiality	Management approach
Policy and Legal	Carbon taxes could pose an additional cost to the business and limit high-emissions activities such as flying, which would lead to a need to recruit expertise locally. Likelihood: Impact: Higher operating costs.	1.5°C 2°C	Medium term	V V	Set and review emissions reduction targets. Expand local recruitment networks and invest in local talent pools. Relocate employees.
Market	As the impacts of climate change disrupt key commodity supply chains and agricultural production, the cost of living is expected to rise. This would lead to consumers having less disposable income and would lead to lower revenue for the consumer-facing business. Likelihood: Impact: Loss of revenue.	2°C 3°C	Long term	V V	Monitor the situation and maintain capacity to supply increases in demand.
Market*	As heatwaves, extreme weather events and wildfires force consumers to stay home for periods of the year, there may be growth in online gambling. This presents a risk to business units that depend on physical gambling activities, and an opportunity to business units that focus on online gambling activities. Likelihood: Impact: Decrease or increase in revenue, depending on the business unit.	2°C 3°C	Long term	N N	Monitor the situation and maintain capacity to supply increases in demand. Shift business units which mainly rely on physical gambling activities to offer online products.
Products and Services	If casinos are forced to relocate due to the physical effects of climate change, this could lead to increased demand for products used by casinos produced by Intelligent Gaming Solutions. Likelihood: Impact: Increase in revenue.	3°C	Long term	L	Monitor the situation and maintain capacity to supply increases in demand.
Markets	If large parts of the tropics and Southern Europe become less desirable to live in due to the effects of climate change in these regions, it could lead to increased attractiveness of key cities in the Northern hemisphere where Playtech has large operational footprints, such as Riga and London. Likelihood: Impact: Increase in attractiveness to prospective employees.	3°C	Long term	N	Monitor the situation and maintain and expand, if necessary, operations in more attractive locations.

* Depending on the business unit: it's a risk for business units dependent on physical gambling activities and an opportunity for business units dependent on online gambling activities.

Partnering on shared societal challenges

Playtech is committed to making a positive impact on society and in local communities, where it operates. By working with subject matter experts, academic partners and charity organisations, we aim to help people live healthier lives online and support a wide range of charitable and volunteering activities. We recognise that the challenges facing the sector and our communities cannot be solved by one organisation alone, and that driving positive social change requires collaboration and partnership.

Commitments:

- Help people live healthier online lives and adopt digital resilience and safer gambling behaviours
- Contribute to and support research, education and treatment to prevent, reduce and address gambling-related harm
- Empower local community groups to deliver a positive impact

Targets and performance measures:

- Reach 415,000 people with digital wellbeing programmes by 2025
- Engage 30,000 people in community and mental health programmes to improve livelihoods by 2025
- Strive for 5% year-on-year increase in employees' contributions (skills, time or money), reaching a global average of 10% by 2025

>680,000

People reached, directly and indirectly, with digital wellbeing programmes

>£1,300,000

Total amount invested during the year in research, education and treatment programmes designed to reduce gambling-related harm

Our approach

A guiding principle for Playtech's philanthropic and volunteering activities is collaboration through partnerships. Playtech's social impact efforts focus on a wide range of themes, including mental health, digital wellbeing and safer gambling, as well as humanitarian causes, and supporting colleagues and communities in crisis.

At Playtech, we recognise the significance of addressing the concerns that matter most to our stakeholders and industry. One of the most material areas of focus is how best to reduce gambling-related harm and promote positive digital wellbeing. The delivery of our healthy online lives and digital wellbeing programme displays our commitment to finding solutions and making a meaningful impact within the industry.

Our Global Community Investment Programme is designed to support causes that are pertinent in the local markets where we operate. Around the world, Playtech supports and encourages employees to contribute their time, skills, money and, most importantly, passion to make a positive social impact in their communities. By building a strong and enduring network with local charities and social enterprises, Playtech explores how to positively contribute to societal challenges.

Playtech's Global Community Investment Committee is comprised of senior management, who oversee and monitor the strategy and governance of the philanthropic and volunteering activities across the Group. Local offices have established and formalised charity committees to oversee and drive community investment activity.

Charitable giving and volunteering in our communities

In 2023, Playtech worked with more than 115 local charities in 12 markets, an increase from over 100 charities and ten markets in 2022. Through the programmes supported, Playtech engaged with more than 47,000 people* in 2023, an increase from over 45,000 people engaged in 2022. Community investment includes gifts in kind, monetary donations and employee volunteering. The total value of monetary donations totalled over €730,000. Employees are encouraged to volunteer for a day each year, as well as support charitable fundraising through our matched giving programme. Of the 12 countries that took part in the community investment programme, an average of 11% of employees contributed their time, money or skills in their community.

* Engaged is defined as an individual that has directly benefited and/or has interacted with the programme by receiving financial and/or in-kind support. Community programmes include all remaining causes excluding mental health and digital wellbeing, e.g. health, hardship and environment.

>115
Number of charities supported

12
Number of countries involved in the Community Investment programme

18
Number of 'Tech for Good' initiatives, within the programme

>47,000
Number of people engaged through the community investment programme in 2023

Volunteering in Estonia: Playtech's community impact

Playtech is committed to providing opportunities for its employees to become involved in charitable and volunteering initiatives. Our Community Investment Programme is available to Playtech employees and aims to support colleagues in collectively making a difference in their local communities, through their contributions of time, skills and/or money.

Playtech provides every employee in the organisation with the opportunity to volunteer and support their local communities for one day a year, and in Estonia, colleagues are collaborating with an organisation called Let's Donate Time, which facilitates a range of volunteering opportunities for employees.

For the second consecutive year, Playtech Estonia organised charity weeks at our offices in Tartu and Tallinn. Different time donation options over a two-week period were offered, providing the flexibility needed for as many as possible to take part. More than 100 employees were involved in a week of volunteering including working with Tartu and Tallinn foodbank, a day care centre for the elderly, a church soup kitchen and two animal shelters. Colleagues also volunteered at the Sooma National Park to restore alvars - a task that involves thinning out dense juniper thickets in order to establish paddocks so animals can graze there again.

By participating in Time Donation Weeks, Playtech Estonia is fostering a culture that focuses on giving back and building good relationships between employees and local community organisations.

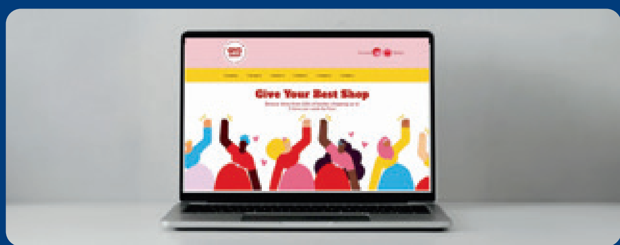
"Tech for Good" initiative to combat clothing poverty

Playtech funds a number of community-based initiatives aimed at harnessing technology to deliver positive social and environmental outcomes. In the UK, Playtech supported "Give Your Best", an award-winning "Tech for Good" social enterprise that is making it possible for women and children from the refugee and asylum-seeking community in the UK to shop clothing for free, with the dignity and choice they deserve.

In late 2021, Playtech donated the seed funding to support creation of a comprehensive online store. This innovative platform empowers people and brands alike to donate clothing effortlessly online, while also creating a space where the community supported by "Give Your Best" can shop online entirely free of charge.

The launch in 2022 transformed the business from being solely reliant on an Instagram account, to a new e-commerce platform able to process 65% more clothing every month. "Give Your Best' has been able to upscale its activities, supporting more people in clothing poverty, while offering a sustainable and ethical donation solution.

To mark International Volunteering Day on 5 December, an in-office clothing collection and volunteering day was organised with "Give Your Best". Employees donated 122 items and used their Company volunteering day to sort, steam and upload donated clothing items on the website, where people shopped them for free.



Responsible business and sustainability continued

Snaitech's partnership with Special Olympics Italia

Special Olympics Italia provides year-round sports training and athletic competitions in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them ongoing opportunities to develop physical fitness, demonstrate courage, experience joy, and share their skills and friendship with their families, other Special Olympic athletes and the community.

Snaitech has collaborated with Special Olympics Italia since 2017 through its iZilove Foundation, which promotes the company's charitable and community goals. Snaitech and Special Olympics Italia have two key sustainability objectives – to raise public awareness about the issue of intellectual disability through promotional campaigns, and to share the same core values of integration, participation and enthusiasm. Snaitech is using all the communication tools at its disposal and dedicating its passion and commitment to this cause. Here are a few examples of the collaboration.

In 2017, Snaitech held a fund raising campaign for Italian athletes during the National Winter Games of Bormio, and the following year hosted the opening ceremony of the 34th National Summer Games at the Snai Sesana Racetrack of Montecatini Terme, where over 130 colleagues acted as volunteers.

In 2020, in collaboration with Special Olympics Italia, Snaitech supported the Sappada 31st National Winter Games, and the Smart Games, the first remote sporting event organised during the COVID-19 pandemic. In 2022, the iZilove Foundation supported the 37th National Summer Games in Turin, involving 3,000 athletes, 1,500 volunteers and over 20 different sports disciplines. In April 2023, Snaitech employees supported Special Olympics Italia by taking part in a relay race in the Milan Marathon to contribute to fund raising efforts to take Italian athletes to the Special Olympics World Summer Games in Berlin. The iZilove Foundation also supported Special Olympics Italia at "Play the Games", the programme of sports events scheduled in several Italian regions involving around 5,879 athletes in 19 sports.

Through the iZilove Foundation, Snaitech also supported the "Adopt a Champion" fundraising campaign, to enable three Italian athletes to participate in the games and initiated an internal campaign to invite employees to participate as volunteers in Berlin for three days to support the athletes. Six volunteers from Snaitech in Italy and four from HAPPYBET in Germany participated, as Berlin welcomed 6,500 athletes and Unified Partners from around 190 countries to compete in 26 sports. The athletes were supported by more than 3,000 coaches and 20,000 volunteers.

Supporting communities in crisis
The ongoing wars in Israel and Ukraine have had an unprecedented impact on the lives of many of our colleagues and their communities.

Our first priority was to validate the safety of our colleagues in both countries, and ensure the Company was doing everything possible to support them, as well as their families and local communities. Support included aiding local response efforts and offering mental health and trauma services, as well as, where appropriate, financial assistance through our newly established Employee Benevolent Fund. We have extended support to aid local response efforts with in-kind donations and volunteering as well as donations to hospitals and charities.

We continue to closely monitor the developments in both Israel and Ukraine, as well as the needs of our colleagues and their families and the communities affected.

Playtech's support in Ukraine – the "Cold Winter Project"

Since the outbreak of the war in Ukraine, Playtech has been committed to supporting both our own colleagues living and working in the country, as well as the people of Ukraine affected by the ongoing conflict. We have partnered with humanitarian organisations to provide essential aid, as well as support to a wide range of non-profit organisations, enabling them to deliver vital medical equipment, supplies and psychological assistance to those in need.

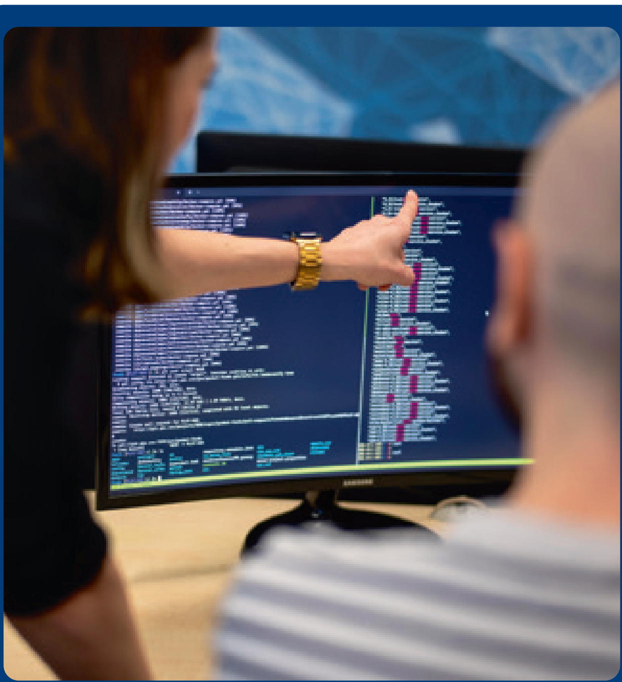
Towards the end of 2022, Playtech helped to fund an initiative called the Cold Winter Project, aimed at supporting as many people as possible during the winter months. The Project was run in partnership with two charities, the charity foundation Relief Ship and charity fund Favor and covered three focus areas.

The first entailed providing help to nearly 1,000 people left homeless by the war and living in unheated shelters in Dnipro and in the community of Bezliudivka in the Kharkiv area. Unable to keep warm or prepare hot food, they were affected by many issues related to the electricity blackout. Depending on the differing needs of the refugee groups, firewood and blankets were provided, as well as generators, gas burners and gas bottles, which, on delivery by charity volunteers, were carefully unpacked and instructions on safe use provided. During December 2022, Playtech colleagues donated Christmas gifts that were then wrapped and distributed to over 250 children situated in shelters across Ukraine.

The second initiative was funding the delivery of warm meals to around 161,700 people living in eight cities from December 2022 to mid-March 2023. The cities were then under constant fire and recipients of the meals included city residents and migrants as well as sick, elderly, disabled and low-income people in need. Meals were delivered to 15 different lunch hotspots and involved the purchase and preparation of over 25,000 kilogrammes of food.

The third Cold Winter Project initiative was the purchasing of eight ambulances, installing professional medical equipment in each and then delivering them to war zones in dire need of medical transport and equipment.

In December 2023, Playtech demonstrated its ongoing commitment to the Ukrainian communities by funding the "Elderly People's Home" project. This project aims to assist 605 elderly residents of Dnipro Geriatric House, Ukraine's largest facility for senior citizens. Many of these residents are homeless due to displacement and mental health issues. The project involves upgrading the bathrooms and replacing all the windows in the building that accommodates 605 elderly people.



Evidence-based research to advance player protection

Playtech aims to contribute to building a more responsible, sustainable gambling industry. A key element of Playtech's approach is to support evidence-based research to develop and test best practices to advance player protection measures as well as to address gambling-related harm. Since 2021, Playtech has supported a number of US focused research projects carried out by the Kindbridge Research Institute.

The Kindbridge Research Institute commissioned the Center for Gambling Studies at Rutgers University in New Jersey, a leading public research university in the United States, to set up an evidence-based telehealth model which will be used to evaluate the effectiveness of digital gambling-related harm support and treatments. Treatment for gambling disorder in the US faces several barriers, including the fact that most options involve in-person delivery.

The Kindbridge Research Institute's Treatment Disparity Project is being conducted with Rutgers University to identify the availability of treatment for gambling disorder in the US. The project will result in the creation of an innovative dataset that will pinpoint areas where there are shortages in gambling disorder treatment and indicate the communities of greatest need to guide Kindbridge's telehealth service roll-out plan.

The Kindbridge Research Institute has also supported the 50x4Vets Project, an initiative aimed at improving treatment options for US military veterans. The US is home to roughly 19 million veterans and gambling disorder is three times more prevalent amongst this community than in the wider population. The project's goal is to conduct research on patient characteristics, clinical interventions, and patient outcomes, and identify the most effective interventions, with the aim of implementing this approach in Veterans Health Administration clinics both nationally and internationally.

Investing in safer gambling: research, education and treatment

Healthy online lives and digital wellbeing

The impacts of gambling-related harm, particularly on mental health, have been rising up the sector's agenda and coming under increasing scrutiny. This is taking place against a backdrop of societal change; with both availability of gambling, and people spending time online increasing – not just to gamble or bet, but to play games and engage with a broad range of social media. Alongside their role as entertainment, all these activities have the potential to encourage unhealthy behaviour and blur the boundaries of what constitutes gambling and healthy online behaviour.

It is now more urgent than ever that academics, policymakers and the gambling industry collaborate with treatment providers and those with lived experience of addiction to make gambling safer. The conversation around gambling has too often been politicised and divided, making it difficult to share insights between all interested parties. This is detrimental to reducing gambling-related harm, which should be everyone's shared goal.

As one of the largest suppliers of gambling products around the world, Playtech is at the forefront of bringing together the gambling industry with academics, policymakers and charity experts. There is strong consensus on many fronts: the need to share data more effectively on gambling, to trial theory in practice before implementing it and to recognise gambling as a health issue.

In 2020, Playtech announced its Healthy Online Living Programme, a commitment to support programmes and partnerships designed to reduce gambling-related harm and promote positive digital wellbeing and health outcomes. In doing so, Playtech formally announced and committed £5 million over five years in five areas of focus, to support partnerships and initiatives that can make a positive difference at the intersection of gambling, online life and mental health. The focus areas include offering preventative education; supporting capability building of frontline staff and support organisations; building the skills of frontline workers in the gambling sector and in healthcare; catalysing innovative digital solutions; and leveraging research, data and AI to deliver insights and solutions.

Since then, Playtech has established strategic partnerships with a growing number of organisations. These include Betknowmore and the Epic Restart Foundation (UK charities that help rebuild lives after gambling problems); Kindbridge, a US organisation that provides an online network of resources for those seeking support and advice about gaming and gambling-related harm; RG Plus, a strategic consultation service developed by the Responsible Gambling Council that offers customised solutions to help operators develop innovative responsible gambling programming; the National Centre for Suicide Prevention; YGAM, an award-winning charity providing evidence-based education to help prevent problem gaming and gambling; and more. To-date, over 680,000 beneficiaries have been reached, both directly and indirectly.

Investing in research to reduce gambling-related harm
Playtech has continued to increase its investment in research, education and treatment programmes designed to reduce gambling-related harm. In 2023, Playtech invested over £1,300,000 in such programmes and initiatives.

bet know more

Supporting the development of Suicide First Aid Training for the gambling sector

Playtech is collaborating with a wide range of non-profit partners to tackle shared societal challenges, such as gambling-related harm. Betknowmore UK identified a need to address inconsistent training programmes, policies and procedures designed for suicide prevention in the gambling sector. Betknowmore partnered with the National Centre for Suicide Prevention, Education and Training to develop, test and pilot training that provides gambling operator customer service and support teams with the knowledge, skills and confidence building needed to help and support those at risk and/or experiencing suicidal thoughts.

This collaboration led to the creation of the Phase Red Suicide First Aid Training course, a bespoke City and Guilds certified programme specifically designed for responsible gambling and customer facing teams.

Participants in compliance and customer care roles in the gambling industry have found the training particularly helpful, reporting that it helped remove myths and taboos surrounding suicide and left them feeling more confident in supporting customers who may be exhibiting signs of suicide risk. They also found the course helpful when it came to considering their own mental health and wellbeing.

The beneficiaries include direct participants and indirect beneficiaries with 365 direct participants and 21,560 indirect beneficiaries to date. With the development and piloting of the training successfully complete, the next phase of the project is underway to further roll out the training with the aim of it ultimately becoming a leading programme for the sector.

In November 2023, the course received recognition, winning the "Responsible Gambling Solution or Service Provider of the Year" award at the Global Regulatory Awards hosted by Vixio Regulatory Intelligence.

Chief Financial Officer's review

Strong performance across both B2B and B2C

Chris McGinnis
Chief Financial Officer

"2023 saw a strong financial performance across both B2B and B2C, with Adjusted EBITDA ahead of previously raised expectations."

9%
Growth in Group Adjusted EBITDA

Overview

Group performance

Overall, Playtech delivered strong financial results in 2023, with Adjusted EBITDA[1] of €432.3 million (2022: €395.4 million), growing 9% compared to 2022. Total reported revenue from continuing operations was €1,706.7 million (2022: €1,601.8 million), representing a 7% increase compared to 2022.

The strong performance was driven by both the B2C and B2B divisions. In B2C, Snaitech had a solid 2023 performance driven by growth across both the online and retail divisions. This drove B2C Adjusted EBITDA of €250.3 million, an increase of 6% compared to 2022. The overall growth was a combination of a very strong start to the year, partly driven by pent-up demand post the 2022 football World Cup and partly offset by customer-friendly sporting results in the second half of the year.

In B2B, the results were driven by strong growth in regulated markets, with revenues growing by 8% from €632.4 million in 2022 to €684.1 million in 2023 and Adjusted EBITDA increasing by 14% from €160.2 million in 2022 to €182.0 million in 2023. With strong growth seen in the Americas and Europe ex UK, the good performance reflects the Group's strategy of focusing on opportunities in regulated and soon-to-be-regulated markets and is further analysed in this report.

In March 2023, the Group invested $85.0 million (€79.8 million) in Hard Rock Digital in exchange for a small minority interest in a combination of equity shares and warrants. This investment forms part of the Group's strategy to expand its presence in the US, in addition to providing growth opportunities globally.

The Group has been dealing with the ongoing Caliplay disputes, in particular in relation to the unpaid B2B licence fees and additional B2B services fee in respect of FY 2023 (€32.3 million outstanding for the period August 2023 to December 2023 and €54.2 million outstanding for the period July 2023 to December 2023 respectively). The Group has recognised the full outstanding amount within its total revenue for the year and in line with its revenue accounting policies.

In recognising the entire amount, Playtech has assessed that it is highly probable that there will not be a significant reversal of this revenue in a subsequent period and the receivable is fully recoverable as further explained in Note 7 of the financial statements.

Reported and Adjusted Profit

Adjusted Profit before tax from continuing operations grew by 16% to €250.5 million (2022: €215.4 million), driven mainly by the rise in Adjusted EBITDA and decrease in financing costs, partly offset by the increase in amortisation and depreciation.

Reported profit before tax from continuing operations increased to €235.8 million (2022: €95.6 million) which, in addition to the above, also includes the increase in the unrealised fair value of derivative financial assets, which was partly offset by higher goodwill and intangible impairments compared to 2022. Total post-tax reported profit from continuing operations was €105.1 million (2022: €40.6 million), with the movement in tax explained further in this report.

Balance sheet, liquidity and financing

The Group continues to maintain a strong balance sheet with Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, of €363.3 million as at 31 December 2023 (2022: €272.4 million). The increase is a result of the new €300.0 million bond issue which took place in June 2023 and the continued strong performance of the Group throughout the year, partly offset by the €200.0 million repayment of the 2018 Bond and the uncollected €86.5 million Caliplay debt. Net debt increased slightly to €282.8 million as at 31 December 2023 (2022: €275.2 million), while net debt/Adjusted EBITDA remained flat at 0.7x (2022: 0.7x).

Playtech has taken a proactive approach to managing its balance sheet. In June 2023, the Company acted quickly to take advantage of a window of relative market calm and secure favourable interest rates, issuing €300.0 million of senior secured notes due 2028 at an interest rate of 5.875%. Part of the proceeds were used to redeem all of the outstanding €200.0 million 3.75% senior secured notes due in October 2023. The Company also used the proceeds to repay the outstanding debt under its existing revolving credit facility in July 2023, which remains available and undrawn today.

Group summary (continuing operations)[3]

	2023 €'m	2022 €'m
B2B	**684.1**	632.4
B2C	**1,037.0**	983.1
B2B licence fee – intercompany*	**(14.4)**	(13.7)
Total Group revenue from continuing operations	**1,706.7**	1,601.8
Adjusted costs[4]	**(1,274.4)**	(1,206.4)
Adjusted EBITDA from continuing operations	**432.3**	395.4
Reconciliation from EBITDA to Adjusted EBITDA:		
EBITDA	**406.5**	362.3
Employee stock option expenses	**6.3**	8.0
Professional fees	**14.4**	15.7
Ukraine employee support costs	**—**	3.3
Onerous contract	**—**	10.4
Fair value change of redemption liability	**—**	(4.3)
Impairment of investment and receivables	**5.1**	—
Adjusted EBITDA	**432.3**	395.4
Adjusted EBITDA margin	**25%**	25%

* These are the B2B licence fees paid from the B2C divisions to B2B.

The Group's total reported EBITDA increased by 12% to €406.5 million (2022: €362.3 million). The adjusted items between reported and Adjusted EBITDA are explained in Note 11 of the financial statements.

Q&A with Chris McGinnis

1. What is it that sets Playtech apart?

Playtech is known for its market-leading technology, first-in-class content and commitment to ensuring a safe betting and gaming experience, so it could be any of these. The common thread running through it all is our people. Everywhere you look, we have fantastic colleagues working hard to help us lead the way and deliver an excellent experience for our customers. They never cease to amaze me!

2. What has surprised you the most about the CFO role?

One of the biggest differences has been moving from an externally focused role in investor relations to a more internally focused one as CFO. I still engage with analysts and investors regularly, but a much larger proportion of my time is now spent working with our colleagues around the business. That different perspective has shown me more clearly than ever just how much talent we have within the business and leaves me feeling very optimistic about the future.

3. Can you share some insights into your experience and the challenges you've faced?

Unfortunately, a number of our colleagues in Ukraine and more recently Israel continue to be affected by wars in their respective regions. As we have done for the past few years, our priority is to ensure that we are doing all that we can to support them and their families.

From a financial perspective, there's been a lot of macroeconomic uncertainty and all businesses have had to manage pressures from inflation and a higher interest rate environment. Navigating that has been a challenge, but one that we've risen to.

4. Can you share some of the key accomplishments that you're particularly proud of?

Back in March 2023, I set out several priorities and I'm pleased with the progress we're making across all of them. In particular, we've strengthened our cash generation over the past year, which reflects the excellent performance across both our B2B and B2C operations.

The refinancing we completed was a key moment that highlighted the strength of our business and our balance sheet, as well as giving us the flexibility to pursue organic and inorganic opportunities.

5. Looking ahead, what are your priorities for the upcoming year?

I think there are a lot of exciting growth opportunities for Playtech in 2024 and beyond. As CFO, I see the finance team's and my role as enabling the business to take advantage of these opportunities, while keeping expenditure well controlled and continuing to execute against our strategic priorities.

Chief Financial Officer's review continued

Divisional performance

B2B

B2B revenue

	2023 €'m	2022 €'m	Change %	Constant currency %
Americas	**211.9**	144.7	46%	35%
– USA and Canada	***13.2***	*7.6*	*74%*	*82%*
– Latin America	***198.7***	*137.1*	*45%*	*32%*
Europe excluding UK	**200.1**	184.6	8%	8%
UK	**126.1**	126.7	0%	1%
Rest of the World	**7.0**	5.6	25%	25%
Total regulated B2B revenue	**545.1**	461.6	18%	15%
Unregulated	**139.0**	170.8	-19%	-17%
Total B2B revenue	**684.1**	632.4	8%	6%

Overall, B2B revenues increased by 8% (6% on a constant currency basis), largely due to an increase in the regulated B2B business.

Regulated B2B revenues[2] increased by 18%, driven by an increase in regulated markets in the Americas and Europe (excluding the UK) of 46% and 8% respectively (35% and 8% respectively on a constant currency basis), partly offset by a decline in unregulated revenues.

The increase in the Americas was primarily driven by Mexico, due to revenue growth from Caliplay (albeit it there remains a large outstanding receivable balance – see Note 7 of the financial statements), with increasing contributions from other countries such as the US through Parx, Canada via NorthStar and other licensees, and Colombia via Wplay. In Europe (excluding the UK) growth was driven by several countries including Poland, the Czech Republic and Spain, although this growth was partly offset by the loss of two retail sports contracts. The increase in Poland was driven by Playtech's partnership with Polish state operator, Totalizator, which is going from strength to strength, whereas in Spain, there were several new launches during 2023.

The small decline seen across the UK market was due to the continued impact of the uncertain regulatory climate. The majority of the decline in unregulated markets is due to revenue moving to the regulated category, as areas such as Ontario in Canada regulate, as well as further declines in revenue in Asia.

B2B costs

	2023 €'m	2022 €'m	Change %
Research and development	**100.2**	87.5	15%
General and administrative	**85.5**	82.6	4%
Sales and marketing	**19.5**	16.8	16%
Operations	**296.9**	285.3	4%
Total B2B costs	**502.1**	472.2	6%

Total B2B revenue and costs			
B2B revenue	**684.1**	632.4	8%
B2B costs	**(502.1)**	(472.2)	6%
Total B2B Adjusted EBITDA	**182.0**	160.2	14%
Margin	**27%**	25%	

Research and development (R&D) costs include, among others, employee-related costs and proportional office expenses. Expensed R&D costs grew by 15% to €100.2 million (2022: €87.5 million), driven by the increase in employee-related costs, including inflationary salary rises from higher investment in the core gaming development team (Casino, Live and IMS). Capitalised development costs were 35.3% of total B2B R&D costs in 2023 (2022: 38.7%).

General and administrative costs include employee-related costs, proportional office expenses, consulting and legal fees, and corporate costs such as audit and tax fees and listing expenses. These costs increased by 4% to €85.5 million (2022: €82.6 million), mainly due to increases in professional fees and other administration costs.

Sales and marketing costs increased by 16% to €19.5 million (2022: €16.8 million), mainly due to the full return of marketing and exhibition activities to pre-COVID-19 levels.

Operations include costs relating to infrastructure and other operational projects, IT and security and general day-to-day operational costs, including employee and office-apportioned costs and branded content fees. These costs increased by 4% to €296.9 million (2022: €285.3 million), driven mainly by Playtech's expanding Live operations in Peru, US and Romania, as well as an increase in costs to support Playtech's structured agreements.

B2B Adjusted EBITDA

Total B2B Adjusted EBITDA increased by 14% to €182.0 million (2022: €160.2 million), while EBITDA margin increased to 27% from 25% in 2022, driven by the movement in revenue and costs, as described above.

B2C

	2023 €'m	2022 €'m	Change %
Snaitech			
Revenue*	**946.6**	899.8	5%
Costs	**(690.5)**	(655.8)	5%
Adjusted EBITDA	**256.1**	244.0	5%
Margin	**27%**	27%	
Sun Bingo and Other B2C			
Revenue	**73.4**	65.3	12%
Costs	**(67.4)**	(63.3)	6%
Adjusted EBITDA	**6.0**	2.0	200%
Margin	**8%**	3%	
HAPPYBET			
Revenue	**18.2**	20.1	-9%
Costs**	**(30.0)**	(30.9)	-3%
Adjusted EBITDA	**(11.8)**	(10.8)	
Margin	**N/A**	N/A	
B2C Adjusted EBITDA	**250.3**	235.2	6%
Margin	**24%**	24%	

* Includes intercompany revenue from HAPPYBET of €1.2 million (2022: €2.1 million).

** Includes intercompany costs from Snaitech of €1.2 million (2022: €2.1 million).

Snaitech

Snaitech revenues increased 5% from the prior year to €946.6 million (2022: €899.8 million), with operating costs seeing the same 5% increase to €690.5 million (2022: €655.8 million). These results were driven by good growth across both the retail and online segments, although there were differing dynamics across the period. The first half saw a very strong start driven by pent-up demand post the football World Cup. This was partly offset by customer-friendly sporting results in the second half of the year.

As a result of Snaitech's movement in revenue and costs, Adjusted EBITDA increased by 5%, while the respective margin remained stable at 27% (2022: 27%).

Sun Bingo and Other B2C

Revenue from the Sun Bingo business increased by 12% to €73.4 million (2022: €65.3 million). Operating costs within Sun Bingo increased by 6% to €67.4 million (2022: €63.3 million), leading to an Adjusted EBITDA of €6.0 million (2022: €2.0 million). The increase in Adjusted EBITDA was due to the increase in marketing spend towards the end of 2022 during the football World Cup, resulting in higher revenue growth in 2023 at a high contribution margin. Furthermore, during 2023, the division saw improvements in its return on investment from more effective marketing and stronger retention rates. Adjusted EBITDA still includes the unwinding of the minimum guarantee prepayment of €5.2 million in the current year (2022: €5.4 million), recognised as an expense over the new period of the contract which was renegotiated in 2019.

On a reported basis, Playtech incurred a one-off cost of €10.4 million in 2022 to terminate an onerous contract with a service provider.

HAPPYBET

Revenue from HAPPYBET decreased by 9% to €18.2 million (2022: €20.1 million), with costs decreasing by 3%. The business remains loss making, with Adjusted EBITDA loss in the current year of €11.8 million (2022: loss of €10.8 million), albeit 2023 includes a €2.0 million expense relating to a litigation settlement.

Below EBITDA items

Depreciation and amortisation

Reported and adjusted depreciation increased by 12% to €46.5 million (2022: €41.5 million). After deducting amortisation of acquired intangibles of €42.6 million (2022: €42.0 million), adjusted amortisation increased by 24% to €84.1 million (2022: €67.8 million) after the renewal of certain licences in Snaitech during H2 2022, which were previously extended for free until June 2022, meaning there was no corresponding amortisation in H1 2022. The remainder of the balance under depreciation and amortisation of €21.2 million (2022: €18.9 million) relates to IFRS 16 Leases and the recognition of the right-of-use asset amortisation.

Impairment of intangible assets

The reported impairment of intangible assets of €89.8 million (2022: €38.5 million) mainly relates to:

- the impairment of the Eyecon cash-generating unit (CGU) of €7.8 million (2022: €13.6 million), driven by underperformance due to the increasingly competitive UK online market;
- the impairment of the Quickspin CGU of €9.6 million (2022: €7.0 million), as the business goes through a transitional period, resulting in a decline in revenue, but shows signs of recovering following an internal realignment whereby it is now under management of the Live business unit; and
- the impairment of the Sports B2B CGU of €72.2 million (2022: €Nil) due to the loss of two significant retail contracts in the year.

The prior year impairment of €38.7 million related to the impairments of the Eyecon CGU of €13.6 million, Quickspin CGU of €7.0 million, Bingo VF CGU of €12.5 million and IGS CGU of €5.6 million.

Finance income and finance costs

The reported and adjusted finance income of €12.3 million (2022: €11.6 million) mainly relates to net foreign exchange gain of €2.2 million (2022: €9.2 million) and interest received of €10.0 million (2022: €2.4 million).

Reported finance costs include interest payable on bonds and other borrowings, bank facility fees, bank charges, interest expense on lease liabilities and expected credit losses on loan receivables. Reported finance costs decreased by 26% to €46.2 million (2022: €62.8 million), mainly due to the repayment of the 2018 Bond in H2 2023. The difference between adjusted and reported finance costs is the movement in contingent consideration of €3.3 million (2022: €0.1 million) relating to the acquisition of AUS GMTC PTY Ltd.

Unrealised fair value changes in derivative financial assets

The unrealised fair value increase in derivative financial assets of €153.4 million (2022: €6.0 million) is due to the movement of the fair value of the various call options held by the Group which fall under the definition of derivatives within IFRS 9 Financial Instruments, with the most significant increase being as a result of the uplift in the fair value of the Playtech M&A Call Option. Further details on the fair value of the various call options are disclosed in Note 21C of the financial statements.

Taxation

A reported tax expense from continuing operations of €130.7 million (2022: €55.0 million) arises on a reported profit before tax of €235.8 million (2022: €95.6 million) compared to an expected charge of €55.4 million based on the UK headline rate of tax for the period of 23.5%. The key item for which the reported tax charge has been adjusted are UK tax losses on which a deferred tax asset of €37.2 million was derecognised as expected utilisation would fall outside the forecasting period and therefore there is not sufficient certainty they will be recovered.

The total adjusted tax expense is €93.7 million (2022: €54.9 million) which arises on an Adjusted Profit before tax of €250.5 million (2022: €215.4 million). The total adjusted tax expense of €93.7 million consists of an income tax expense of €35.3 million (2022: €20.4 million) and a deferred tax expense of €58.4 million (2022: €34.5 million). The total adjusted deferred tax expense mainly consists of a deferred tax expense of €42.2 million relating to the Snaitech group including the use of Snaitech tax losses and excess interest expense.

The Group's effective adjusted tax rate for the current period is 37.4%. This rate is higher than the UK headline rate for the period of 23.5%. The key reasons for the differences are a mix of profits including subsidiaries located in territories where the tax rate is higher than the UK statutory tax rate (which predominately relates to Snaitech based in Italy), current year tax losses not recognised for deferred tax purposes and expenses not deductible for tax purposes which include impairment of intangibles.

Chief Financial Officer's review continued

Discontinued operations

Finalto (formerly TradeTech Group)

Finalto was disposed of in July 2022 with cash proceeds of $228.1 million (€223.9 million) and transaction costs of €1.6 million resulting in a profit on disposal of €15.1 million.

Adjusted Profit

	2023 €'m	2022 €'m
Reported profit from continuing operations	**105.1**	40.6
Employee stock option expenses	**6.3**	8.0
Professional fees	**14.4**	15.7
Fair value change and finance costs on contingent consideration and redemption liability	**3.3**	(4.2)
Ukraine employee support costs	**—**	3.3
Onerous contract	**—**	10.4
Impairment of investment and receivables	**5.1**	—
Fair value changes of equity instruments	**6.6**	0.3
Fair value changes of derivative financial assets	**(153.4)**	(6.0)
Fair value loss on convertible loans	**—**	3.0
Loss on disposal of subsidiary	**—**	8.8
Amortisation of intangible assets on acquisitions	**42.6**	42.0
Impairment of property, plant and equipment and intangible assets	**89.8**	38.5
Deferred tax on acquisitions	**(8.2)**	(8.3)
Derecognition of brought forward deferred tax asset	**37.2**	—
Tax related to uncertain provision	**8.0**	8.4
Adjusted Profit from continuing operations	**156.8**	160.5

The reconciling items in the table above are further explained in Note 11 of the financial statements. Reported profit post tax from continuing operations was €105.1 million (2022: €40.6 million), mainly due to the increase in the fair value of the derivative financial assets, partly offset by an increase in CGU impairments and the derecognition of brought forward deferred tax assets.

Adjusted EPS (in Euro cents)

	2023	2022
Adjusted basic EPS from continuing operations	**51.7**	53.5
Adjusted diluted EPS from continuing operations	**50.2**	51.5
Basic EPS from profit attributable to the owners of the Company	**34.7**	29.2
Diluted EPS from profit attributable to the owners of the Company	**33.7**	28.1
Basic EPS from profit attributable to the owners of the Company from continuing operations	**34.7**	13.5
Diluted EPS from profit attributable to the owners of the Company from continuing operations	**33.7**	13.0

Basic EPS is calculated using the weighted average number of equity shares in issue during 2023 of 303.3 million (2022: 300.1 million). Diluted EPS also includes the dilutive impact of share options and is calculated using the weighted average number of shares in issue during 2023 of 311.9 million (2022: 311.9 million).

Cash flow

Cash conversion

Playtech continues to be cash generative and delivered operating cash flows of €366.9 million (2022: €410.9 million) including cash from discontinued operations which only impacts H1 2022.

	2023 €'m	2022 €'m
Adjusted EBITDA	**432.3**	429.2
Net cash provided by operating activities	**366.9**	410.9
Cash conversion	**85%**	96%
Change in jackpot balances	**3.3**	(3.6)
Change in client funds and security deposits	**(2.1)**	15.3
Professional fees	**14.4**	24.4
ADM security deposit (Italian regulator)	**0.7**	11.5
Adjusted net cash provided by operating activities	**383.2**	458.5
Adjusted cash conversion	**89%**	107%

Excluding the impact of discontinued operations, operating cash flows decreased from €382.7 million in the prior year to €366.9 million in 2023, with the decline driven by the outstanding Caliplay receivable as further explained in Note 7 of the financial statements.

	2023 €'m	2022 €'m
Adjusted EBITDA	**432.3**	395.4
Net cash provided by operating activities	**366.9**	382.7
Cash conversion	**85%**	97%
Change in jackpot balances	**3.3**	(3.6)
Change in client funds	**(2.1)**	(9.4)
Professional fees	**14.4**	15.7
ADM security deposit (Italian regulator)	**0.7**	11.5
Adjusted net cash provided by operating activities	**383.2**	396.9
Adjusted cash conversion	**89%**	100%

Adjusted cash conversion of 89% (2022: 100%) is shown after adjusting for jackpot balances, client funds, professional fees and ADM security deposit.

Adjusting for the above cash fluctuations is essential in order to truly reflect the quality of revenue and cash collection. This is because the timing of cash inflows and outflows for jackpots, security deposits and client funds only impact the reported operating cash flow and not Adjusted EBITDA, while professional fees are excluded from Adjusted EBITDA but impact operating cash flow.

Cash flow statement analysis

Net cash outflows used in investing activities totalled €317.6 million (2022: €358.3 million), key items of which include:

- €79.8 million for the acquisition of a small minority interest in Hard Rock Digital (refer to Note 21B);
- a €41.3 million cash payment in relation to a subcontractor option redemption (refer to Note 21C); and
- €150.0 million (2022: €125.4 million) used in the acquisition of property, plant and equipment, intangibles and capitalised development costs.

Net cash inflows from financing activities totalled €39.9 million (2022: outflow of €566.9 million), key movements of which include:

- redemption of the outstanding €200.0 million bond due 2023; and
- net proceeds of €297.2 million received from the new bond issued in 2023.

Balance sheet, liquidity and financing

	2023 €'m	2022 €'m
Cash and cash equivalents (net of ECL)	**516.2**	426.5
Cash held on behalf of clients, progressive jackpots and security deposits	**(152.9)**	(154.1)
Adjusted gross cash and cash equivalents	**363.3**	272.4
Bonds	**646.1**	547.6
Gross debt	**646.1**	547.6
Net debt	**282.8**	275.2
Adjusted EBITDA	**432.3**	395.4
Net debt/Adjusted EBITDA ratio	**0.7**	0.7

Cash

The Group continues to maintain a strong balance sheet with total cash and cash equivalents of €516.2 million at 31 December 2023 (2022: €426.5 million). Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, increased to €363.3 million as at 31 December 2023 (2022: €272.4 million), a result of the new €300.0 million bond issue and the continued strong performance of the Group throughout the year, offset by the repayment of the outstanding €200.0 million bond due 2023 (the "2018 Bond") and the Caliplay outstanding debt of €86.5 million.

Financing and net debt

As at 31 December 2023, the Group had the following borrowing facilities:

- €350.0 million 2019 Bond (2022: €350.0 million) (4.25% coupon, maturity 2026) which was raised in March 2019;
- undrawn €277.0 million revolving credit facility (2022: undrawn); this facility is available until October 2025, with an option to extend by 12 months; and
- €300.0 million 2023 Bond issued in June 2023, as further discussed below.

Playtech has taken a proactive approach to managing its balance sheet. In June 2023, the Company acted quickly to take advantage of a window of relative market calm and secure favourable interest rates. Playtech issued €300.0 million of senior secured notes due 2028 at an interest rate of 5.875% (2023 Bond). The 2023 Bond has been assigned a rating of BB by S&P Global Ratings UK Limited and Ba2 by Moody's Investors Service Ltd upon issue. In July 2023, part of the proceeds of the bond were used to redeem all of the outstanding 2018 Bond of €200.0 million 3.75% due in H2 2023 and to repay the outstanding debt under its existing revolving credit facility, which remains available and undrawn today. The remaining amount, after payment of transaction-related expenses, will be used for general corporate purposes.

Net debt, after deducting Adjusted gross cash, increased slightly to €282.8 million (2022: €275.2 million), while net debt/Adjusted EBITDA remained stable at 0.7x (2022: 0.7x).

Chief Financial Officer's review continued

Balance sheet, liquidity and financing continued

Contingent consideration

Contingent consideration increased to €6.2 million (2022: €2.9 million), mostly due to the fair value movement in the contingent consideration related to the AUS GMTC PTY Ltd acquisition. The existing liability as at 31 December 2023 comprised the following:

Acquisition	Maximum payable earnout (per terms of acquisition)	Contingent consideration as at 31 December 2023	Payment date (based on maximum payable earnout)
Aus GMTC PTY Ltd	€45.3 million	€5.4 million	Q4 2025
Other	€0.8 million	€0.8 million	Various

Going concern and viability assessment

In adopting the going concern basis in the preparation of the financial statements, the Group has considered the current trading performance, financial position and liquidity of the Group, the principal risks and uncertainties, together with scenario planning and reverse stress tests completed for a period of no less than 15 months from the approval of these financial statements.

At 31 December 2023, the Group held total cash of €516.2 million (2022: €426.5 million) and Adjusted gross cash, which excludes the cash held on behalf of clients, progressive jackpots and security deposits, of €363.3 million (2022: €272.4 million). Net debt, which is gross debt after deducting Adjusted gross cash, increased slightly to €282.8 million (2022: €275.2 million).

The financing and net debt position has been reported and analysed in the relevant section above. As at the date of this report (26 March 2024) the Group's facilities include the 2019 Bond of €350.0 million and the 2023 Bond of €300.0 million, both of which are long-term borrowings due in 2026 and 2028 respectively, as well as the fully undrawn RCF of €277.0 million.

As per the going concern assessment under Note 2, under its base case scenario management, the Directors have a reasonable expectation that the Group will have adequate financial resources to continue in operational existence over the relevant going concern period and have therefore considered it appropriate to adopt the going concern basis of preparation in the financial statements.

While the base case cash flow forecasts have assumed full recovery of the Caliplay outstanding amounts within the going concern period of assessment, there is a remote risk that no cash will be received depending on the progress of the legal dispute, and hence this was modelled in the stress test scenario. Even under this scenario the Group still has sufficient headroom on its covenants and liquidity and hence the Directors still have a reasonable expectation that the Group will continue as a going concern over the relevant going concern period. This remote scenario was also modelled in the viability assessment which covers a period of three years and concludes that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2026.

1 Adjusted numbers throughout relate to certain non-cash and one-off items. The Board of Directors believes that the adjusted results represent more closely the consistent trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 11 of the financial statements.

2 Core B2B refers to the Company's B2B business excluding unregulated Asia.

3 Totals in tables throughout this statement may not exactly equal the components of the total due to rounding.

4 Comparative information throughout has been restated due to a change in accounting policy. Further details are provided in Note 4C of the financial statements.

Chris McGinnis
Chief Financial Officer
26 March 2024

Risk as a key priority

“2023 saw us strengthen our risk management approach through the on-going development of a bottom-up process whereby risk is reviewed across our business, to identify the main threats to delivery of our strategy.”

A message from the Chair of the Risk & Compliance Committee

Understanding the risks that impact our strategy

Risk management is fundamental to both robust corporate governance and the successful delivery of our mission and objectives. The trends outlined in our strategy present both opportunities and threats to our business. Identifying and managing these risks is critical to delivering our strategic goals. Regular discussion of our key priorities and the changing landscape of challenges is the lens through which we assess these.

Strengthening our risk management and internal control

Whilst 2020 through to 2022 presented well-known global challenges, 2023 exacerbated this, not least due to the tragic events in Israel on 7 October compounding upon that in Ukraine.

2023 saw us strengthen our risk management approach through the on-going development of a bottom-up process whereby risk is reviewed across our business to identify the main threats to delivery of our strategy. A robust risk management process continues to be a high priority for our business.

In recognition of the critical relationship between risk management and internal control, reinforced by the UK Corporate Governance Code guidance, we also appointed an experienced Director of Risk, Internal Control and Assurance, to lead a new, dedicated team to design and deliver a new Enterprise Risk Management Framework.

In 2024, we shall further enhance our approach to risk management and internal controls, in line with Corporate Governance guidance, through the embedment of an inter-related assurance process with focused metrics and robust key control management for each of our principal risks to support our operations and as a management tool for business decisions. We shall also implement a testing schedule for key controls emanating from our significant and principal risks. This will form a crucial objective throughout 2024 as the new Enterprise Risk Management programme matures.

Samy Reeb
Chair of the Risk & Compliance Committee
26 March 2024

Risk management in Playtech

Our Board is responsible for risk management and promotes a transparent and accountable culture through good stewardship that does not inhibit sensible risk taking critical to growth.

The Board supports good risk management across the Group by implementing and overseeing a framework of appropriate and effective controls that enable risk to be assessed and managed. While sound risk management cannot eliminate all risks, the role of our Board, its committees and the Executive Leadership Team is to ensure that our risk management processes are robust, effective and take account of appropriate exposures.

We continue to strengthen our approach to risk and controls management to develop a process that complies with the requirements of the UK Corporate Governance Code.

1. Identify

Strategic-focused risk assessment continues to be a core component of the identify step. Linking risks back to operational, business and Group objectives allows risks to be validated and enables better insight into understanding the uncertainties faced. A detailed analysis of both the causes (drivers) of the risk and the potential consequences (outcomes) aids in understanding the conditions surrounding the risk, which can be mapped to the existing control environment to identify any gaps or weaknesses. Documenting the current control environment and its effectiveness forms part of the identify step.

2. Assess

Risks and opportunities are assessed on the likelihood and impact of a risk event occurring, allowing risks and opportunities to be prioritised. This assessment is with reference to the effectiveness of the current control environment – controls that are in place at the time of assessment. This provides a real-time picture of the current risk exposure driving the required response.

A robust and dynamic risk management framework ensures that risks are mitigated and that the Group adheres to both regulatory requirements and industry good practice when identifying, assessing and managing risk.

3. Respond

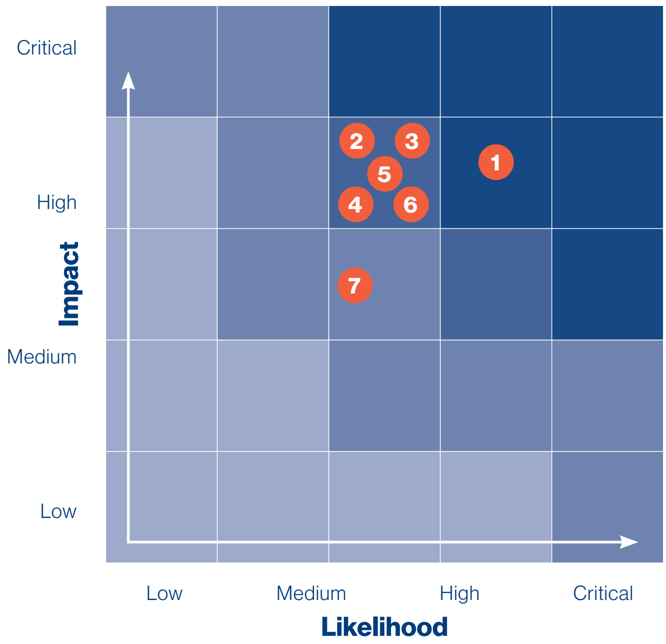
A response is determined for each risk and opportunity dependent on its current assessment: accept or manage further. Actions are developed for those risks requiring further management, and are assigned clear ownership and implementation timeframes in relation to the current risk assessment.

4. Monitor

Regularly reviewing risks ensures the information captured remains relevant, accurate and up to date, and the status of outstanding actions is tracked. The risk environment may change from time to time, with the emergence of additional causes or impacts requiring further management of a previously 'accepted' risk. Monitoring core themes across the business as they link to the Group profile is essential for effective risk management. Further detail on the process and accountability for risk management is contained on page 95 to 100.

Outlining our principal risks

Principal risks heatmap 2023



Key: Matrix – Risk rating classifications (Likelihood x Impact)

- Low risk
- Medium risk
- High risk
- Critical risk

Risk	Trend
1. Remaining competitive	Stable
2. Security	Stable
3. Geopolitical considerations	Rising
4. Legal, compliance and tax	Stable
5. Sustainable business	Stable
6. Talent retention	Rising
7. Recessionary risk	Stable

1) Failure to maintain a competitive position

Risk category	Strategic
Likelihood	High
Impact	High
Trend	Stable
Link to strategy	1 2 3 4 5 6

Principal risk

We find ourselves with stronger, more robust competition which can reduce our market share and limit our potential for growth. Our market thrives on the presence of active participants in the market to keep us innovative and relevant and help us advance as an industry.

Mitigation

With technology rapidly advancing, industry consolidations and new and emerging markets on the table, this gives us further opportunity to build on our strategies of:

- placing innovation at the core of the Company, evolving our products and delivering exciting offerings, from both a technology and product perspective;
- exploring new and emerging markets to accelerate B2B and B2C growth;
- dedicating time to retaining and acquiring core talent; and
- harnessing the power of AI technology in our business operations to drive innovation and new ways of working and optimise our products and services to keep us ahead of the competition.

Strategic considerations

If we do not respond to the market dynamics, it will be more challenging to achieve our objectives as well as meet and exceed stakeholder expectations.

Outlining our principal risks continued

2) Data breach, technical systematic failure or security incident

Risk category	Operational
Likelihood	Medium
Impact	High
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

Our operational activities depend on our technology and operational processes to ensure the availability, integrity and confidentiality of our services, assets and personally identifiable data that we hold. A compromise of services or data through a technical system failure, cyber-attack or breach of security would adversely impact our Company, including disruptions to customers, regulatory penalties and reputational damage.

Mitigation

Our current focus to assure the protection of our data and systems, mitigating the risks of compromised Playtech systems, is led by the following security strategies as aligned with our business objectives:

- protecting service operations and delivery, on premise and on cloud, through advanced technological security capabilities and skilled staff;
- establishing a robust security governance framework which operates under global and regulatory security standards, such as ISO/IEC 27001 and GLI-19/33 Information Security Management standard, and oversees Playtech offices and data centres, including Snaitech;
- working with Playtech customers to provide guidance on security configuration and procedures combined with overall assurance that both players and customers receive modern security capabilities by default; and
- assuring business continuity by testing contingency plans as a response to potential technical failures or incidents such as DDoS attacks.

Strategic considerations

The strategic priorities are security risks that may cause service disruption or regulatory non-compliance. While those risks may result in reputational and operational damage, Playtech is well placed to respond and avoid any impact to its growth potential.

3) Geopolitical challenges

Risk category	Macroeconomic
Likelihood	Medium
Impact	High
Trend	↑ Rising
Link to strategy	N/A

Principal risk

We are entering 2024 with the war in Ukraine still active but the situation at present is stable, and the Israel-Hamas war which brings instability around the region, including Houthi attacks in the Red Sea that disrupt global supply chains. In addition to the safety of our staff, there is the risk that regional conflicts will constrain energy supply and disrupt major transportation routes, raising prices across the board and affecting business operations. Over the next year, the attention and resources of global powers are likely to be focused on three hotspots in particular: the war in Ukraine, the Israel-Hamas conflict and tensions over Taiwan. Escalation in any one of these hotspots would radically disrupt global supply chains, financial markets, security dynamics and political stability, viscerally threatening the sense of security and safety of individuals worldwide. All three areas stand at a geopolitical crossroads, potentially leading to broader regional destabilisation.

Mitigation

The past year has highlighted how resilient our organisation can be when we have to prioritise and respond to a crisis. We developed an effective response to the risks posed to us by the war in Ukraine and the Israel-Hamas war by:

- protecting our people and their families which has included financial support as well as flexible working arrangements;
- ensuring capacity and continuity by managing and relocating key infrastructure and sharing knowledge and teams inside and outside of Ukraine and Israel; and
- reviewing reliance on critical supply chains through effective business continuity planning which has included implementing backup generators and evacuation plans.

Strategic considerations

Key staff that are critical to delivering our strategic objectives are still based in Ukraine and Israel. We have contingency plans on standby in case we have to react with immediate notice and are actively monitoring the situation.

4) Non-compliance with a changing landscape in legal, regulatory, licensing and tax requirements

Risk category	Strategic
Likelihood	Medium
Impact	High
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

The regulatory and legislative landscape continues to evolve, with more uncertain politics and greater pressure globally on the industry and tax regimes; therefore, it is vital that we keep abreast of these changes in a timely manner, ensuring Playtech is either first to market for its licensees or retains its dominant position in already regulated markets. We need to be flexible and dynamic when we enter new jurisdictions, and work closely alongside the regulatory bodies, as it can be extremely challenging both operationally and commercially to be ahead of all the legislative requirements. We are also seeing greater focus across environmental, social and governance regulatory and disclosure requirements, with application for both direct operations and supply chain.

Mitigation

It is vital we are at the forefront of regulation and in order to do so we are committed to:

- promoting a safer gambling environment at the forefront of our operations;
- operating a Playtech Regulatory Intelligence team who monitors all regions, and ensures our processes and controls are up to date and relevant;
- having dedicated internal legal, regulatory and tax teams with responsibility for working with and advising the Board of upcoming regulatory changes to ensure compliance;
- utilising external advice and engaging with partners who are familiar with the landscape where possible, to reduce any unknown exposure;
- communicating to the Board fully on all regulatory matters which provides visibility and consultation from the top;
- ongoing assessment and review of our climate-related risks and opportunities; and
- strong engagement with our value chain to mitigate and manage the effects.

Strategic considerations

Increasing regulation puts pressure on new and existing jurisdictions and therefore the marketplace itself. These regulations are wide ranging and relate to gambling, listing rules, tax regimes, financial regulation and requirements under relevant environmental, social and governance-related regulations. This can lead to higher consolidation in the marketplace; therefore, keeping informed helps us to remain competitive and supports our growth.

5) Inability to maintain a sustainable business

Risk category	Strategic
Likelihood	Medium
Impact	High
Trend	→ Stable
Link to strategy	1 2 3 4 5 6

Principal risk

Insufficient awareness and visibility on sustainability-related considerations such as long-term viability of the operations, safer gambling and social impacts, and the concentration of our customer base (see Note 7 for more detail about the Caliplay situation).

Mitigation

The sustainability of our business is a priority and, while we have several means to ensure we deliver on this, some of the key measures we have taken include:

- leveraging technology to promote a safer gambling experience, reinforce player protection measures and strengthen operational and industry standards;
- increased focus on the diversification of our business activities and customer base, including growing new revenue streams through the SaaS business and expanding our customer relationships in the LatAm region;
- setting commitments and targets to align and embed sustainability into our strategy, including setting science-based targets to tackle climate change for SBTi validation and a gender diversity target for our leadership;
- complying with evolving and relevant ESG regulatory requirements, including but not limited to TCFD; and
- establishment of a Sustainability and Public Policy Board Committee, which oversees and monitors the delivery and evolution of ESG risks and opportunities, alongside topic specific governance forums, in which Snaitech also actively participates with the perspective to align with the regulations and continuous improvement.

Strategic considerations

The above elements and our mitigation responses enforce our commitment to ensure the long-term sustainable success of our business and comply with evolving requirements as well as meet evolving stakeholder expectations.

Outlining our principal risks continued

6) Failure to attract and retain key talent

Risk category	Operational
Likelihood	Medium
Impact	High
Trend	Rising
Link to strategy	1 2 3 4 5 6

Principal risk

Failure to retain and attract the correct people, the pressures of global inflation affecting the cost of living, and not adequately planning for unanticipated departures of key people will result in operational deficiencies and hinder our ability to deliver Company objectives.

Mitigation

Ensuring correct acquisition, retention and management of key talent across Playtech is a priority to help us achieve our vision. To help us deliver on this, we ensure we dedicate ourselves to:

- embedding a strong Centre of Excellence (CoE) team which directs focus to key talent pools to attract and retain the right talent for Playtech;
- building customised strategies to identify internal talent allowing us to secure the future of Playtech;
- creating a strong learning and development strategy to retain and grow existing employees;
- promoting a diverse and inclusive culture through our Company values to promote sustainability; and
- establishing effective business and workforce planning to ensure effective succession.

Strategic considerations

Our business thrives on the innovation of our colleagues, and it would be impossible for us to achieve our vision without the support of our employees. Our robust mitigation strategies ensure we remain a core employer of choice across the industry.

7) Adverse impact of recession and financial markets

Risk category	Macroeconomic
Likelihood	Medium
Impact	Medium
Trend	Stable
Link to strategy	1 2 3 4 5 6

Principal risk

Several factors pose a risk in the current macroeconomic environment including rising inflation and interest rates, recession and foreign exchange fluctuations. End customers face financial pressure, leaving less disposable income with which to gamble. Aside from the impact on players, elevated interest rates also increase the financial burden on our colleagues and licensees, and influence our investment decisions. From a cost perspective, our B2B business is directly impacted by rising wage pressure and the economic climate. However, our B2C business, Snaitech, is less affected due to a different retail structure which is mainly franchising.

Fluctuations in foreign exchange rates also pose a risk as we expand into jurisdictions with volatile exchange rates, such as the Americas. However, this is not as significant across most of the business as our revenue and cost bases are evenly matched.

Mitigation

We have implemented some monitoring tactics to keep abreast of the ongoing situation and the impact on our operations by:

- actively monitoring the economic environment as it evolves;
- preparing appropriate responses for action plans that we can implement that mitigate the risks to an acceptable level;
- creating internal remuneration and training schemes to retain and support existing employees; and
- creating a Global Benevolent Fund to provide financial assistance to colleagues for unforeseen challenges.

Strategic considerations

Protecting the long-term future of the Group and delivering on our vision is our priority as the uncertain economic climate can adversely impact this.

Viability statement

The UK Corporate Governance Code requires the Board to explain how it has assessed the prospects of the Group and state whether it has a reasonable expectation that the Group can continue to operate and meet its liabilities, taking into account its current position and principal risks.

The Group's principal markets and strategy are described in detail in the Strategic Report (pages 1 to 102).

The key factors affecting the Group's prospects are:

- Playtech is a global business and a leading technology provider in the gambling industry;
- Playtech is well positioned to meet the growing demand in technology in regulated and regulating markets;
- Playtech has a clear vision for its technology-centric growth strategy, driven by new licensee and partnership agreements in the newly regulated markets in the US and Latin America and expanding with existing customers with more products and markets;
- Playtech, through its B2B division, has a diverse portfolio of licensees across retail and online, in over 40 regulated jurisdictions; and
- Playtech, through its B2C division, is also a leader in the second largest European market with Snaitech in Italy; with this leading brand and Playtech's technology it is ideally positioned to continue its success in this market whilst also being the fastest growing player in Italy in the online sector when measured by GGR.

The Directors believe that a three-year period is appropriate for their viability assessment as it is supported by a three-year plan adopted by the Board, which covers Playtech's strategy to continue to penetrate the newly regulated markets in the US and LATAM. This timeframe is reduced from five to three years as it is the period over which the Directors believe they can reasonably forecast the Group's performance. The previous five-year period was adopted in part at the request of the potential acquirers of the Group during the takeover talks in 2021 and 2022 for purposes of valuing Playtech. This three-year plan relies on certain key milestones being met in the initial years (including continued execution of the Group's US strategy and further expansion in certain LATAM countries), which would then drive further growth in the latter years. This plan is revised as required to take into account known facts that will have an impact on the existing forecasts.

In making this statement, the Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This includes the availability and effectiveness of mitigating actions that could realistically be taken to avoid or reduce the impact or occurrence of the underlying risks. In considering the likely effectiveness of such actions, the conclusions of the Board's regular monitoring and review of risk management and internal control systems, as described on pages 95 to 100, are considered.

Base case three-year projections

As set out in the Chief Financial Officer's Review (pages 88 to 94), the Group had excellent overall results which were driven by Snaitech's solid performance in both its online and retail divisions and continued strong growth in B2B regulated markets. The newly acquired Hard Rock Digital investment made in March 2023 also forms part of the Group's strategy to further expand its presence in the US, along with providing growth opportunities globally.

Base case projections for viability purposes have been made using the Directors' best estimate including the following key assumptions:

- modest Adjusted EBITDA growth beyond FY 2024 on existing business;
- constant growth in new markets in LATAM and the US;
- no major changes in working capital;
- Snaitech gaming and betting license extensions;
- Caliplay dispute settled and outstanding balances received;
- repayment of the 2019 Bond; and
- no changes to Group structure.

The resulting financial model assesses the ability of the Group to remain within the financial covenants and liquidity headroom of its existing borrowing facilities. Within the three-year assessment period, the revolving credit facility (RCF) expires (in October 2025 or October 2026 if the extension is taken) and the 2019 Bond of €350 million is due for repayment in March 2026. The 2023 Bond of €300 million which was issued in 2023 falls outside the viability statement period as it is due in 2028. Within the base case projections, it was assumed that the RCF, which is undrawn as at 31 December 2023, will not be utilised and the Group will be in a position to repay its 2019 Bond in full. Under its base case projections, the Group is able to meet its financial covenants under its RCF until the point it expires. Finally, the Directors are confident that, if required, refinancing can be achieved at acceptable terms, a point which is further discussed under Scenario 1 below.

Climate change impact

Included within our TCFD statement on pages 75 to 81 is the Group's second scenario analysis building on the extensive scenario analysis conducted in 2021 to identify the resilience of the Group's strategy under three different possible climate change scenarios (global warming of 1.5°C/2°C/3°C above pre-industrial levels by 2100). Where possible, we quantified the impact as material or immaterial. The outputs of this work were reviewed in 2023 and are considered to still be representative for Playtech. In the instances where it was assessed as material, the impact was for the long term, which is defined as more than three years, and is therefore currently not considered to impact the conclusions made in our viability statement period.

External advisers were appointed to assist with the analysis, and key management across the business is engaged in the assessments made to date and going forward. The key findings are summarised in the TCFD statement. Playtech has expanded the number of risks and opportunities that were quantified in 2023 and plans to undertake a further scenario exercise in 2024. The Group has also developed a net zero roadmap in support of its commitment to near-term science-based targets and long-term net zero targets. By implementing this roadmap, the Group aims to reduce its exposure to climate-related transition risks and strengthen its ability to capture opportunities while investing in renewable energy generation at key assets.

While environmental risk was added to our emerging risks register for the first time in 2021, this has been mitigated through the establishment of the Sustainability and Public Policy Committee of the Board and also through regular monitoring by the executive cross-functional Environment Forum, as well as the Risk and Compliance Committee of the Board. It is also considered as part of the Risk and Compliance Committee's biannual review of risks across the Group. The Board is committed to continuing to assess the situation and the financial and other implications as quantification becomes possible over the viability statement period and beyond.

Viability statement continued

Climate change impact continued

From a viability perspective, in the instances where we cannot yet quantify the impact under each of the scenarios because of the lack of data, this is considered in the overall reverse stress test analysis (see below). Furthermore, we are closely monitoring how the risks will progress over the next few years, meaning that we are already trying to mitigate our potential exposure, and at this point in time are comfortable that any climate change over the viability assessment period will not impact the conclusions being made in our scenario analysis below.

Scenario analysis

Two scenarios were applied to the base case as follows:

1. the stress-test scenario: encompasses the principal risks which were applied to the base case; and
2. the reverse stress-test scenario: used to identify the reduction in Adjusted EBITDA required that could result in either a liquidity event or breach of the RCF and bond covenants.

Under Scenario 1, the following risks were factored in:

- remaining competitive (risk number 1): in considering the ongoing legal dispute with Caliplay (Note 7), a significant and valued customer of the Group, we considered the remote probability that no further cash is received from Caliplay over the viability statement period;
- building a sustainable business (risk number 5), being the risk of delays in launching and expanding in US and certain LATAM countries due to regulation or competition; this was specifically considered because the impact could be high; and
- complying with a changing landscape in legal, regulatory, licensing and tax requirements (risk number 4), by considering the impact of potential changes in taxes across some of our key markets (such as Italy).

The impacts applied to this scenario were offset by potential savings such as reducing capital expenditure. Under this scenario, which showed a monthly average decrease in Adjusted EBITDA of 46% over the three-year period, the Group would need to extend (past October 2026) its RCF facility to be able to utilise it until the end of 2026 or take out a new bond as the 2019 Bond is due for repayment in March 2026. Either way and as mentioned above, the Directors are confident that refinancing can be achieved at acceptable terms, and, even though currently no formal proposal has been put forward to the Board as it is too soon, the Group is in regular dialogue with its existing banks and is continuously reviewing its options. Finally, under this scenario, the Group was still able to meet its financial covenants under its RCF and bonds, further noting that the probability of all risks applied happening simultaneously is considered remote.

Scenario 2 was specifically looked at because should we breach the covenants under the RCF, the Group would have sufficient funds to repay the outstanding balance (if any). However, if we were to breach the interest cover covenant under the bonds, which would mean the bonds might subsequently be called for repayment, the Group would not be able to repay. This scenario indicated that Adjusted EBITDA would need to decrease on average by 86% over the three-year period at each bank reporting date for the Group to breach the covenant, noting that it did not consider any mitigating actions the Board can take. The probability of this scenario materialising is therefore considered remote, given the excellent overall results in 2023 as discussed in the Chief Financial Officer's Review.

Based on this assessment, the Directors have concluded that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2026.

The Strategic Report on pages 1 to 102 was approved by the Board and signed on its behalf by Mor Weizer and Chris McGinnis.

Mor Weizer Chief Executive Officer 26 March 2024	**Chris McGinnis** Chief Financial Officer

Governance Report

Governance Report

Remuneration Report

Chairman's introduction to governance

Progress driven by responsibility and sustainability

Brian Mattingley
Chairman

Dear Shareholder

As Chairman of the Board, I am pleased to present the Corporate Governance Report for 2023.

We began 2023 looking forward with cautious optimism as we continued to navigate the many challenges Playtech and our industries have encountered in recent years: from the war in Ukraine, the rising cost of living and the economic downturn, to the continued impacts of climate change, political polarisation and the lasting effects of the pandemic. However, it was a year of further challenges with October 7th terrorist attack in Israel, Hamas-Israel war, litigation with Caliplay, economic headwinds and inflationary environment.

Against this challenging backdrop, on behalf of the Board, I would like to thank the Executive Management and the broader team for their hard work, resilience and commitment throughout 2023 to achieve excellent strategic, financial and operational results.

Strategy and performance

The Governance Report describes how the Board and its Committees operated during 2023. Following our progress in 2022 to define our strategic aims clearly, the Board has remained focused on ensuring the Company continues to deliver its strategy and operational performance and makes progress towards its sustainability strategy for the benefit of all its stakeholders.

During the year, the Board considered and approved strategic investments that will support the business' long-term growth, including investment in Hard Rock Digital and targeted acquisitions for Snaitech. The Board continued to pay close attention to maintaining a strong financial position to ensure we remain well placed to pursue strategic opportunities.

The Board was heavily engaged with the Executive Management team in overseeing the delivery of our strategy, with a particular focus on the B2B business on structured agreements to deliver growth in newly regulating markets, as well as the opportunities to capitalise on Live and our SaaS model and deliver efficiencies in B2B.

The Board's progress was underpinned by the excellent work of its Committees, including strategic deep dives on People and Talent and Safer Gambling, both of which are central to our sustainability strategy.

In our Strategic Report, we have set out how we seek to manage the principal risks and uncertainties facing the business.

The Board recognises the challenging times many of our colleagues face and has been very cognisant of supporting our colleagues and their wellbeing. The Board has responded to these challenges by approving continuous support for colleagues affected by the war in Ukraine and Hamas-Israel war. To address the cost-of-living crisis, the Board supported management in approving a one-off payment for our most affected colleagues and creating a Benevolent Fund to support our colleagues who may be affected by particularly challenging and unforeseen life events. The Board will continue to monitor developments and support our colleagues and local communities. We continue to support many local charities through our Global Community Investment Programme.

Board composition, changes and diversity

During the year, there have been changes to the composition of the Board.

In January 2023, we welcomed Samy Reeb to the Board as a new independent Non-executive Director, bringing his extensive experience of working with global businesses across wealth and tax advisory. On 17 May 2023, we announced John Krumins' intention to step down from the Board and his position as Chair of the Audit Committee on 29 September 2023, following the interim results to enable a smooth transition. On behalf of all the Directors, I would like to thank John for his commitment and dedication during a period of significant change for the Company. We wish John all the best in his future endeavours.

Ruby Yam was appointed in June 2023 and stepped down in July 2023 for personal reasons.

As a Board, we bring a diverse range of experience, skills and perspectives and continue to evolve to ensure that we have the necessary skills and strategic leadership to continue to successfully guide the Company. Promoting integrity and inclusive culture is a crucial pillar of our sustainability strategy and a priority of the Board. We have made progress towards developing the diversity of our workforce and the Board, including introducing our Board Diversity Policy and continuing engagement with our external Stakeholder Advisory Panel, but recognise there is more to be done to make meaningful progress.

While we took steps to address the gender balance of the Board this year, we have yet to meet our targets and have more work to do. The Board, together with the Nominations Committee, is prioritising addressing the Board's diversity.

The Board supports the management team to drive a culture of integrity and inclusion. The Board and the Chair of the Sustainability Committee, Linda Marston-Weston, have been working closely with our Global Head of HR to assess our employee engagement, and our values and culture. Talent development and succession planning are also ongoing topics in the work of the Board and its Committees.

Sustainability and stakeholder engagement

Central to Playtech's progress and growth has been a track record of open and constructive dialogue with its stakeholders. In 2023, the Board has continued its high levels of engagement with shareholders to ensure significant progress on corporate governance and that the Company's interests are aligned with the interests of all shareholders in the next period of our evolution.

The Board recognises the need to strike a careful balance to ensure that shareholders and other stakeholders are appropriately protected by robust processes and procedures while providing an environment that fosters an entrepreneurial spirit, thereby allowing our senior management team and our workforce to continue to deliver the strategic and operational progress that we have achieved in recent years. This balance lets us clearly focus on the key risks the Group faces. Still, it requires us to be flexible enough to accommodate changes resulting from developments in our strategy or changes in the regulatory environment.

Playtech has grown rapidly since its inception and is now a company with c.7,700 colleagues in 19 countries. To meet the changing demands of the Company, the Board has also evolved significantly in that time and has played an important role in guiding the Company through its rapid change.

This year, we have made significant progress against the sustainable priorities to power action for positive environmental impact. The Board approved a new Environment Policy and endorsed our Net Zero 2040 plan.

You can read more on our sustainability strategy on **pages 48 to 87**

Conclusion

The Board has confidence in the future of the Group and sees significant growth opportunities ahead. The operational progress reported in 2023 in new and existing regulated markets, including the US, is evidence of Playtech's leadership in regulation and compliance in the gambling industry, and our commercial capabilities. The Board plays an essential role in upholding the highest levels of regulation, compliance and responsibility. We continue to work closely with regulators in various markets to ensure our compliance with local laws and regulations.

The Board strives to ensure that the Group's governance structure protects the sustainability of its businesses and the communities in which it operates while maximising shareholder value and treating all shareholders fairly. The Board also sets the tone for the Company, how it conducts itself, its attitude towards sustainability, safer gambling and diversity and inclusion, its definitions of success and its assessment of appropriate risk, all of which define the atmosphere within which the Executive Team works.

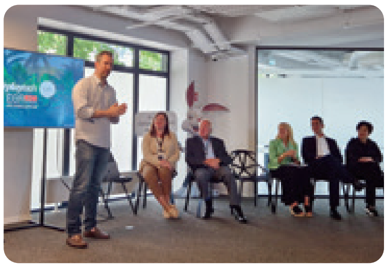
The following report provides further details on our governance framework, thereby explaining how our corporate governance practices support our strategy.

AGM

The AGM is an important opportunity for the Board to meet with shareholders, particularly those who may be yet to have the chance to engage with the Board and senior management. Our AGM is scheduled to be held on 22 May 2024. Further meeting details are included in the Notice of Annual General Meeting. Shareholders are always welcome to ask us questions or feedback via our website or at our AGM.

Brian Mattingley
Chairman
26 March 2024

Workforce engagement



A highlight of 2023 was the opportunity for the Board members to visit two of our sites, the US and Latvia, to engage with our colleagues. Our team in the US has grown rapidly, and we have established three Live studios. Chris McGinnis, Chief Financial Officer, and I were able to spend time with our US team and visit our Michigan studio.

Latvia is home to our largest Live facility with over 1,800 colleagues and the latest Live innovations. The Board and the Executive Management team travelled to Latvia to host engagement sessions with different groups of colleagues and present the Group's strategic aims. The Board also attended ICE and G2E, where we engaged with many of our stakeholders and colleagues from around the world.

You can read more about our stakeholder engagement on **pages 44 to 47**

Governance at a glance

Key highlights

Governance improvements

- Increased workforce engagement through site visits and deep-dive sessions.
- Designated Linda Marston-Weston as workforce engagement representative.

Read more on our workforce engagement on **page 105**

- Focused on improving internal controls and risk management.

Read more on **pages 96 and 128**

- Continued progress on our sustainability strategy.

Read more on **pages 48 to 87**

Focus areas in 2023

Acquisitions
Litigation
Strategy
Finance
Regulation and safer gambling
People
Technology

Read more on **pages 114 and 115**

Priorities for 2024

Growth
- Deliver strategic aims and pursue targeted investments.

Efficiency
- Realign resources in B2B.

Culture
- Confirm and embed our values across the Group.

Sustainability
- Continued progress on our sustainability strategy.

2023 Board engagement

10
Site visits

5
Tradeshows

4
Deep-dive sessions

Read more on **page 120**

Board changes

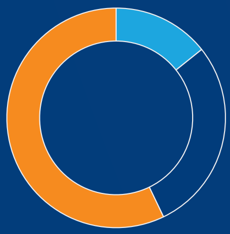
- John Krumins stepped down from the Board on 29 September 2023, and his position as Chair of the Audit Committee and member of the Risk and Compliance Committee and Sustainability Committee.
- Ruby Yam was appointed to the Board on 1 June 2023 and stepped down on 11 July 2023 for personal reasons.
- Samy Reeb was appointed to the Board on 4 January 2023.

Read more on Board Committee changes on **page 117**

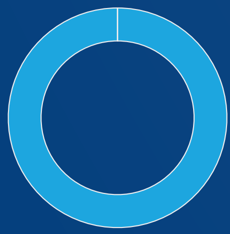
Directors' skills and experience

Relevant industry experience	5
Finance	7
PLC experience	5
Senior leadership experience	7
NED experience	4

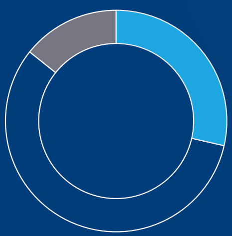
Board composition



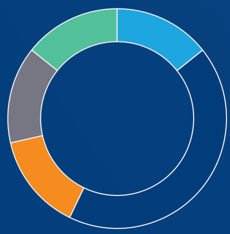
Independence



Tenure



Nationality



Read more on **pages 108 to 113**

Diversity

The tables below illustrate the diversity of the Board as at 31 December 2023.

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in Executive Management	Percentage of Executive Management
Men	5	71%	4	7	64%
Women	2	29%	—	4	36%
Not specified/prefer not to say	—	—	—	—	—
Total	7	100%	4	11	100%

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chairman)	Number in Executive Management	Percentage of Executive Management
White British or White other (including minority White groups)	6	86%	3	7	64%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	—	—	—	1	9%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	1	14%	1	1	9%
Not specified/prefer not to say	—	—	—	2	18%
Total	7	100%	4	11	100%

Read more on **page 113**

Board of Directors

Brian Mattingley
Non-executive Chairman – Independent on appointment

N

Appointment to the Board

Brian was appointed to the Board in June 2021.

Career

Brian joined 888 Holdings in 2005 as a Non-executive Director, before being appointed CEO in March 2012, and was Non-executive Chairman from March 2016 until he stepped down in 2021. Prior to 888, Brian was CEO of the Gala Group of companies and eventually becoming a CEO of Gala Regional Developments, a joint venture enterprise between Gala and Caesars of the US. Brian had also held senior management positions in Kingfisher plc and Dee Corporation plc.

Skills, competences and experience

Brian brings considerable plc board experience to the role, as well as his extensive experience in the gambling and leisure industries.

Current external commitments:

None.

Mor Weizer
Chief Executive Officer

Appointment to the Board

Mor was appointed as Playtech's Chief Executive Officer in May 2007.

Career

Prior to being appointed CEO, Mor was the Chief Executive Officer of one of the Group's subsidiaries, Techplay Marketing Ltd., which required him to oversee the Group's licensee relationship management, product management for new licensees and the Group's marketing activities. Before joining Playtech, Mor worked for Oracle for over four years, initially as a development consultant and then as a product manager, which involved creating sales and consulting channels on behalf of Oracle Israel and Oracle Europe, the Middle East and Africa. Earlier in his career, he worked in a variety of roles, including as an auditor and financial consultant for PricewaterhouseCoopers and a system analyst for Tadiran Electronic Systems Limited, an Israeli company that designs electronic warfare systems.

Skills, competences and experience

Mor is a qualified accountant and brings a strong set of financial skills together with considerable international sales and management experience in a high-tech environment and extensive knowledge of the online gambling industry.

Current external commitments:

None.

Chris McGinnis
Chief Financial Officer

Appointment to the Board

Chris was appointed as Playtech's Chief Financial Officer and an Executive Director of the Company on 28 November 2022, having joined the Group in 2017.

Chris is also a member of the Disclosure Committee.

Career

Chris started his career at Deloitte in Canada where he qualified as a Chartered Professional Accountant (CPA). Chris then worked in Equity Research for UBS in Canada and Bank of America Merrill Lynch in the UK. Prior to being appointed CFO in 2022, Chris was Director of Investor Relations. Prior to joining Playtech, Chris was Head of Corporate Strategy at software company Temenos. Chris is also a Chartered Financial Analyst (CFA) charter-holder.

Skills, competences and experience

Chris is a strategic finance executive with over twenty years' experience across finance, accounting, investor relations, corporate strategy, M&A and equity research.

Current external commitments:

None.

Ian Penrose
Senior Independent Non-executive Director

A R N Ri

Appointment to the Board

Ian was appointed to the Board in September 2018.

Career

Prior to his appointment, Ian was CEO of Sportech plc from 2005 to 2017 and served as CEO of Arena Leisure plc from 2001 to 2005. Last year, Ian retired as Chairman of the National Football Museum, having been a trustee for over a decade.

Skills, competences and experience

Ian brings 25 years of leadership experience in the global gaming, technology and sporting sectors. In particular, he has significant knowledge of the US, Canadian, Australian and European markets, having led strategic initiatives in the regions during this time. Ian has been licensed by regulators in several countries and is also a Chartered Accountant.

Current external commitments:

Non-executive Director IXUP Limited.

Non-executive Director Phenix Real Time Solutions Inc.

Vice Chairman of Weatherbys Limited and Non-executive Director of its technology joint venture with the British Horseracing Authority, Racing Digital Limited.

Board Advisor to KYC Global Technologies Limited.

Anna Massion

Independent Non-executive Director

R Ri S N

Appointment to the Board

Anna was appointed to the Board in April 2019.

Career

Anna worked in investment banking and asset management for over 15 years and is widely respected as a global gambling industry expert. During her time at PAR Capital Management, Anna was responsible for idea generation and portfolio maintenance. Prior to joining PAR, Anna held positions at leading financial institutions including JP Morgan, Marathon Asset Management and Hedgeye Risk Management.

Skills, competences and experience

With Anna's sector knowledge and business network, she brings a strong fiscal and analytical skill set to the Board.

Current external commitments:

Non-executive Director of AGS LLC.

Non-executive Director of Betmakers Technology Group Ltd.

Non-executive Director of Gaming Realms plc.

Linda Marston-Weston

Independent Non-executive Director

S A R

Appointment to the Board

Linda was appointed to the Board in October 2021.

Career

Formerly a senior tax partner at EY, Linda was a member of the EY Midlands Board and Head of Tax EY Midlands. Linda is passionate about Diversity & Inclusion and spent five years as EY's Midlands People partner, leading the agenda across people matters. She established a cross business female mentoring network for the Midlands region and set up and continues to lead a female entrepreneur's network. Until recently Linda was a Transaction Tax partner and Head of Tax for the Midlands at Cooper Parry.

Skills, competences and experience

Linda is a Fellow of the Institute of Chartered Accountants and brings more than 30 years' experience of working with UK and Global businesses and across corporate finance, strategy, tax, culture and leadership.

Current external commitments:

None.

Samy Reeb

Independent Non-executive Director

Ri A S

Appointment to the Board

Samy was appointed to the Board in January 2023.

Career

Samy brings extensive experience of working with global businesses largely across wealth and tax advisory. He began his career in tax advisory at Ernst & Young and tax management at Credit Suisse, before focusing on wealth advisory as an Executive Director at Julius Baer, and subsequently joining 1291 Group as Managing Partner. Over the years, Samy developed a leading franchise advising on the financial affairs of many Asia-based ultra-high net worth clients. Samy is currently Group CEO of PFIS Group.

Skills, competences and experience

Samy's broad skill set and extensive knowledge of Asia provides additional depth and experience to the Board.

Current external commitments:

None.

Key to committees

- A Audit Committee
- S Sustainability and Public Policy Committee
- N Nominations Committee
- R Remuneration Committee
- Ri Risk and Compliance Committee
- Committee Chair

Notes

John Krumins stepped down from his role as Non -executive Director on 29 September 2023.

Ruby Yam stepped down from her role as Non-executive Director on 11 July 2023.

Directors' governance report

Introduction

Responsibility for corporate governance lies with the Board, which is committed to maintaining high standards of corporate governance, which it considers to be central to the delivery of long-term sustainable growth, effective stewardship of the business and maintaining the confidence of stakeholders. The following report explains the role of the Board, how it functions, and our most important governance processes and how they support the Group's business and the Board's stakeholder engagement.

UK Corporate Governance Code

As a premium listed company, Playtech's governance framework is based on the UK Corporate Governance Code 2018 (the "Code"). A copy of the Code is available at www.frc.org.uk. This report and the Board Committee reports set out how we have applied the principles and complied with the provisions of the Code during 2023. The table below shows where disclosures to evidence this can be read. Where elaboration is required, further details are set out in our Compliance Statement.

Board leadership and purpose	Compliant	Read more on pages
Long-term value and sustainable success	✓	1 to 102
Purpose, values and strategy	✓	1 to 102
Integrity and culture	✓	48 to 87
Resources and effective controls	✓	110 to 151
Stakeholder engagement	✓	44 to 47
Policies and practices	✓	110 to 123
Division of responsibilities		
Structure and effectiveness	✓	110 to 123
Independence	✓	111
Division of responsibilities	✓	112
Time commitments	✓	111
Company secretary support	✓	111
Composition, succession and evaluation		
Appointments and succession planning	✓	121 and 122
Skills, experience and knowledge	✓	108 and 109
Length of service	✓	108 and 109
Evaluation	✓	122
Diversity	✓	113
Audit, risk and internal control		
Internal and external audit	✓	124 to 128
Integrity of financial and narrative statements	✓	123
Fair, balanced and understandable assessment	✓	146
Risk and internal controls framework	✓	96 and 128
Principal risks	✓	95 to 100
Remuneration		
Policies and practices	✓	131 to 135
Alignment with purpose, values and long-term strategy	✓	129 to 135
Formal and transparent procedure	✓	129 to 135
Independent judgement and discretion	✓	135 and 143

Compliance statement

I am pleased to be able to report that it is the view of the Board that the Company is fully compliant with the principles of the Code throughout the year under review.

As we reported in our last Annual Report, in accordance with provision 38 of the Code, and in keeping with our Remuneration Policy as approved by shareholders at our Annual General Meeting held in May 2021, we reached a position in January 2023 whereby pension contributions to our Executive Directors are aligned with pension contributions to our wider workforce.

Workforce engagement

In accordance with the principles of the Code, provision 5 explains that for engagement with the workforce, one or a combination of the following methods should be used: a director appointed from the workforce, a formal workforce advisory panel, or a designated non-executive director. In 2022, we reported that we were considering arrangements for workforce engagement. The Board has designated Non-executive Director, and Chair of the Sustainability and Public Policy Committee, Linda Marston-Weston to oversee workforce engagement.

AGM results

Following the results of our AGM held in May 2023, the Board noted in its announcement dated 24 May 2023 that certain resolutions were not passed with the necessary majority. These resolutions concerned the Directors' power to allot shares, disapplication of pre-emption rights, further disapplication of pre-emption rights, and power to make market purchases of own shares.

We explained at that time that we aspire to high levels of shareholder and stakeholder engagement and would consult with those shareholders who voted against these resolutions to understand their specific concerns. Since the AGM, we have held regular discussions with our shareholders to hear their views and better understand their concerns. A statement setting out our response to the voting figures from last year's AGM was uploaded to the Investment Association portal.

Conflicts of interest

During the year under review, the Directors declared no conflicts of interests.

External auditor statement

The Company's auditor, BDO LLP, is required to review whether the above statement reflects the Company's compliance with the Code by the Listing Rules of the Financial Conduct Authority and report if it does not reflect such compliance. No such negative report has been made.

The Board is accountable to the Company's shareholders for good governance and the statements in this report describe how the Group applies the principles identified in the Code.

How we are governed

Board composition

As at 31 December 2023, the Board comprised the Non-executive Chairman, the Chief Executive Officer, the Chief Financial Officer and four independent Non-executive Directors. The list of Directors holding office during the year to 31 December 2023 and their responsibilities are set out on pages 108 and 109.

Except for John Krumins, who stepped down in September 2023, and Ruby Yam, who was appointed in June 2023 and stepped down in July 2023, the Directors served throughout the financial year.

Director's name	Title
Brian Mattingley	Non-executive Chairman
Mor Weizer	Executive Director, Chief Executive Officer
Chris McGinnis	Executive Director, Chief Financial Officer
Ian Penrose	Senior Independent Director, Non-executive Director
Anna Massion	Non-executive Director
John Krumins	Non-executive Director (from 2 April 2019 to 29 September 2023)
Linda Marston-Weston	Non-executive Director
Samy Reeb	Non-executive Director (from 4 January 2023)
Ruby Yam	Non-executive Director (from 1 June 2023 to 11 July 2023)

Balance of the Board

The Board comprises individuals with wide business experience gained in various industry sectors related to the Group's current business. It is the intention of the Board to ensure that the balance of the Directors reflects the changing needs of the business and its stakeholders.

The Board considers that it is of a size and has the balance of skills, knowledge, experience, diversity and independence that is appropriate for the Group's current business. While not having a specific policy regarding the constitution and balance of the Board, potential new Directors are considered on their own merits with regard to their skills, knowledge, experience and credentials.

The Non-executive Directors continue to contribute their considerable collective experience and wide-ranging skills to the Board and provide a valuable independent perspective, where necessary constructively challenging proposals, policy and practices of Executive Management.

Board tenure

In accordance with the Company's articles of association, every new Director appointed in the year is required to stand for re-election by shareholders at the Annual General Meeting (AGM) following their appointment. Also, under the articles of association, at each AGM one-third of the Directors (excluding any Director whom the Board has appointed since the previous AGM), or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third, shall retire from office (but so that if there are fewer than three Directors who are subject to retirement by rotation under the articles one shall retire).

Notwithstanding the provisions of the articles of association, the Board has decided to comply with the Code requirements that Directors submit themselves for re-election annually. Therefore, all Directors are seeking their reappointment at this year's AGM.

The Board has collectively agreed that the Directors proposed for re-election at this year's AGM have made significant contributions to the business since their last re-election, and each has a key role to play in the formulation of the Group's future strategy and its long-term sustainable success.

Independence

The Board, together with the Nominations Committee, reviews the independence of each Non-executive Director annually, considering their individual circumstances and external appointments, and any conflicts of interest or relationships that are likely to, or could appear to, affect the Director's independent judgement. Each Non-executive Director is asked to provide confirmation of their independence annually.

Following the annual assessment, the Board considers that all the Non-executive Directors are independent of management and free of any relationship that could materially interfere with the exercise of their independent judgement, or ability to provide constructive challenge and hold management to account.

In accordance with the Code, the Chairman, Brian Mattingley, was independent upon his appointment in 2021. The Board considers the Chairman retains objective judgement.

Time commitments

The Board considers that all Directors have demonstrated sufficient availability and time commitment throughout the year for the proper functioning of the Board.

In addition to the scheduled and ad hoc Board and Committee meetings, Directors also attend the Annual General Meeting. Non-executive Directors are encouraged to attend tradeshows, including ICE and G2E, and undertake company site visits, both of which our Executive Directors attend.

The Board must approve all significant external appointments before any Director accepts the position, having regard to the combined time commitments. In addition, for Executive Directors additional appointments should be beneficial to the Group, not present a conflict of interest or require a significant time commitment which could interfere with the performance of their duties.

Company Secretary

The Company Secretary acts as secretary to the Board and its Committees. Appointment and removal of the Company Secretary is a matter for the Board. The Company Secretary is a member of the Group's Executive Management team and all the Directors have access to his advice and services.

How we are governed continued

Division of responsibility

The Group has clear divisions of responsibility between the Chairman (Brian Mattingley) and the Chief Executive Officer (Mor Weizer) and sets out what is expected of the Non-executive Directors to support the development of the Group's strategy and the integrity of its operations.

Chairman

- Overall effectiveness of the running of the Board
- Ensuring the Board is an integral part of the development and determination of the Group's strategic objectives
- Keeping the other Directors informed of shareholders' attitudes towards the Company
- Safeguarding the good reputation of the Company and representing it both externally and internally
- Acting as the guardian of the Board's decision-making processes
- Promoting the highest standards of integrity, probity and corporate governance throughout the Company and particularly at the Board level

Chief Executive Officer

- Executive leadership of the Company's business on a day-to-day basis
- Developing the overall commercial objectives of the Group and proposing and developing the strategy of the Group in conjunction with the Board as a whole
- Responsibility, together with his senior management team, for the execution of the Group's strategy and implementation of Board decisions
- Recommendations on senior appointments and development of the management team
- Ensuring that the affairs of the Group are conducted with the highest standards of integrity, probity and corporate governance

Service contracts and exit payments

Executive Directors

Set out in the table below are the key terms of the Executive Directors' terms and conditions of employment.

A bonus is not ordinarily payable unless the individual is employed and not under notice on the payment date. However, the Remuneration Committee may exercise its discretion to award a bonus payment pro-rata for the notice period served in active employment (and not on gardening leave).

The LTIP rules provide that other than in certain "good leaver" circumstances, awards lapse on cessation of employment. Where an individual is a "good leaver" the award would vest on the normal vesting date (or cessation of employment in the event of death) following the application of performance targets and a pro-rata reduction to take account of the proportion of the vesting period that has elapsed. The Committee has discretion to partly or completely disapply pro-rating or to permit awards to vest on cessation of employment.

Provision	Detail
Remuneration	Salary, bonus, LTIP, benefits and pension entitlements in line with the above Directors' Remuneration Policy table
Change of control	No special contractual provisions apply in the event of a change of control
Notice period	12 months' notice from the Company or employee for the CEO and the CFO • CEO contract signed on 1 January 2013 • CFO contract signed on 28 November 2022
Termination payment	The Company may make a payment in lieu of notice equal to basic salary plus benefits for the period of notice served subject to mitigation and phase payments where appropriate
Restrictive covenants	During employment and for 12 months thereafter

Non-executive Directors

The Non-executive Directors each have specific letters of appointment, rather than service contracts. Their remuneration is determined by the Board within limits set by the articles of association and is set taking into account market data as obtained from independent Non-executive Director fee surveys and their responsibilities. Non-executive Directors are appointed for an initial term of three years and, under normal circumstances, would be expected to serve for additional three-year terms, up to a maximum of nine years, subject to satisfactory performance and re-election at the Annual General Meeting as required.

The table below is a summary of the key terms of the letters of appointment for the Non-executive Directors.

The letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office and will be available before and after the forthcoming AGM.

Name	Date	Term	Termination
Brian Mattingley	1 June 2021	Until third AGM after appointment	180 days' notice on either side or if not re-elected or commits gross misconduct
Linda Marston-Weston	1 October 2021	Until third AGM after appointment unless not re-elected	90 days' notice on either side or if not re-elected, disqualified or commits gross misconduct
Ian Penrose	1 September 2018	Until third AGM after appointment unless not re-elected	
Anna Massion	2 April 2019	Until third AGM after appointment unless not re-elected	
Samy Reeb	4 January 2023	Until third AGM after appointment unless not re-elected	

Diversity

As stated in last year's report, in 2022, we refreshed our approach to promoting diversity, equity and inclusion across our leadership and workforce. The Company continues to operate in numerous countries, each with a distinct culture. Our aim continues to focus on each individual and celebrate our workforce's differences and cultural diversity. Diversity and inclusion are part of our corporate culture and we have set about improving the gender balance at Board, executive and senior management levels. We recognise that it will take time to make meaningful progress, but with increasing commitment in this area, we will pursue diversity and inclusion objectives as set out in our Strategic Report on pages 1 to 102.

In 2022, the Board also approved a new Board Diversity Policy, which codifies the Board's commitment to make diversity a key factor as we review the recruitment and succession at the Board. The Policy is available to view at www.playtech.com. In summary, the Board Diversity Policy sets out a commitment to:

- build a culture of inclusion and diversity and promoting this with the Executive Committee and workforce;
- make diversity and inclusion a guiding principle when reviewing the composition and structure of the Board and Executive Committee;
- increase the diversity of the Board, including, but not limited to, an increase of Directors who identify as female to at least 40% by 2025 and at least one Director who identifies as a member of an underrepresented group;
- engage with the workforce to enhance and strengthen its approach to bring diverse perspectives to Board level decision making; and
- review and monitor the application of equality, diversity and inclusion as part of recruitment and succession planning for executive and management leadership roles.

The Board continued to make progress towards becoming more diverse in 2023. Due to changes in the Board composition, the Board has not yet achieved the target balance and has further work to meet its targets and make meaningful progress. The Board, together with the Nominations Committee, will continue to make diversity a key factor in the recruitment and succession of the Board. Read more on our approach to succession planning on pages 121 and 122.

As a premium listed company, Playtech is required to comply with the Listing Rules and Disclosure Guidance and Transparency Rules. In accordance with the Listing Rules, the Company is required to comply with or explain why it has not met the diversity requirements in LR 9.8.6R(9) and LR 14.3.33R(1), including the following elements:

At least 40% of the Board are women

As at 31 December 2023, the percentage of women on the Board of Playtech is 29%, below the target of 40%.

Last year's report stated that the Board was taking steps to increase its diversity. During the year, Playtech appointed an additional female to the Board, Ruby Yam. However, as reported on page 111, Ruby stepped down from the Board after a short tenure. In its succession planning, the Board, together with the Nominations Committee, is considering the gender diversity of the Board and seeks to meet the targets for female representation by 2025.

At least one of the senior Board positions is a woman

None of the senior Board positions (Chair, CEO, CFO or SID) are held by a woman as of 31 December 2023. The Board considers that the Directors holding senior Board positions, as detailed on pages 108 and 109, are the most appropriate to fulfil these clearly defined and specific roles for Playtech, having regard to their experience, skills and competencies, and the composition of the Board as a whole.

At least one member of the Board is from a minority ethnic background

As at 31 December 2023, one of the Directors is from a minority ethnic background.

The Nominations Committee believes that appointments should be based on merit, compared against objective criteria, to ensure the Board has the right skills, knowledge and experience that enable it to discharge its responsibilities properly. Considering the Group's stakeholders, the Board considers the Directors bring a diverse range of perspectives which are complementary to and appropriate for the Group's current business.

Methodology for diversity data collection

The Board and Executive Management Committee gender diversity data is set out on page 113. This data is correct as at 31 December 2023. The individual Directors and management were asked by the Company Secretary and Global Head of HR, respectively, to provide the data for the purpose of the reporting requirement in LR 9.8.6R(9) and LR 14.3.33R(1). There has been no change to the diversity data between the date on which this data was collected and this report's publication date.

Diversity

The tables below illustrate the diversity of the Board as at 31 December 2023.

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
Men	5	71%	4	7	64%
Women	2	29%	—	4	36%
Not specified/prefer not to say	—	—	—	—	—
Total	7	100%	4	11	100%

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management
White British or White other (including minority White groups)	6	86%	3	7	64%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	—	—	—	1	9%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	1	14%	1	1	9%
Not specified/prefer not to say	—	—	—	2	18%
Total	7	100%	4	11	100%

How the Board functions

Board meetings

The Board meets regularly with eight meetings scheduled and held in 2023. In addition, the Board held several presentations and informal calls throughout the year to maintain coverage of key business developments, emerging issues and opportunities. The Board held one of its scheduled meetings in Latvia as part of its commitment to workforce engagement.

The minutes of each of these Committees are circulated to and reviewed by their members. Matters arising are circulated to accountable individuals.

Details of the Directors' attendance at Board meetings and Committee meetings are set out in the table on page 114. The Nominations Committee and Disclosure Committee do not have scheduled meetings and meet as needed.

Arrangements are facilitated should a Board decision or approval be required outside these times. In 2023, the Board held two ad hoc meetings remotely to consider significant transactions.

Where a Director or attendee cannot attend a meeting, feedback is sought in advance by the relevant Board or Committee Chair and Company Secretary, and a debrief is offered thereafter.

During the year, the Chairman met the other Non-executive Directors in person and remotely, in the absence of the Executive Directors, to re-confirm and take account of their views.

Timely flow of information

All Directors receive an agenda and comprehensive papers in the week prior to the Board meeting. Papers are delivered via a secure electronic portal.

In addition to receiving reports from the Board's Committees, reviewing the financial and operational performance of the Group and receiving regular reports on M&A, legal, regulatory and investor relations matters at the Board meetings, the other key matters considered by the Board during 2023 are set out on page 115.

Directors are provided with comprehensive background information for each meeting, and all Directors were available to participate fully and on an informed basis in Board decisions. In addition, certain members of the senior management team, including the Chief Operating Officer, the General Counsel, the Chief Compliance Officer, the Head of Investor Relations and the Chief Sustainability and Public Policy Officer, are invited to attend the whole or parts of the meetings to deliver their reports on the business. Any specific actions arising during meetings are agreed upon by the Board and a follow-up procedure ensures their completion.

Independent professional advice

In certain circumstances, Directors are entitled to seek independent professional advice under an agreed Board procedure, which would then be organised by the Company Secretary, and in this regard, the Company would meet their reasonable legal expenses.

Delegation of authority

The Board has adopted a formal delegation of authorities memorandum which sets out levels of authority for employees in the business.

The Chairman is primarily responsible for the efficient functioning of the Board. He ensures that all Directors receive sufficient relevant information on financial, operational and corporate issues prior to meetings. The Chief Executive Officer's responsibilities focus on co-ordinating the Group's business and implementing Group strategy. Regular interaction between the Chairman and Chief Executive Officer between meetings ensures the Board remains fully informed of developments in the business at all times.

There remains in place a formal schedule of matters specifically reserved for Board consideration and approval.

Summary of matters reserved for Board consideration:

- approval of the Group's long-term objectives and commercial strategy;
- approval of the annual operating and capital expenditure budgets and any changes to them;
- consideration of major investments or capital projects;
- the extension of the Group's activities into any new business or geographic areas, or to cease any material operations;
- changes in the Company's capital structure or management and control structure;
- approval of the Annual Report and Accounts, preliminary and half-yearly financial statements and announcements regarding dividends;
- approval of treasury policies, including foreign currency exposures and use of financial derivatives;
- ensuring the maintenance of a sound system of internal control and risk management;
- entering into agreements that are not in the ordinary course of business or material strategically or by reason of their size;
- changes to the size, composition or structure of the Board and its Committees;
- corporate governance matters; and
- sustainability, people and talent.

Attendance of members

Director's name	Board	Audit	Remuneration	Nominations	Risk	ESG
Brian Mattingley	8 of 8	—	—	1 of 1	—	—
Mor Weizer	8 of 8	—	—	—	—	—
Chris McGinnis	8 of 8	—	—	—	—	—
Ian Penrose	8 of 8	8 of 8	4 of 4	—	2 of 2*	3 of 3
Anna Massion	8 of 8	—	4 of 4	1 of 1	2 of 2	1 of 1*
John Krumins	6 of 6[1]	7 of 7[1]	—	1 of 1	2 of 2	3 of 3[1]
Linda Marston-Weston	8 of 8	8 of 8	4 of 4	—	—	4 of 4
Samy Reeb	8 of 8	1 of 1*	—	—	—	1 of 1*
Ruby Yam	1 of 1[2]	—	—	—	—	—

1 John Krumins stepped down from the Board and his position as Chair of the Audit Committee on 29 September 2023.
2 Ruby Yam was appointed to the Board on 1 June 2023 and stepped down on 11 July 2023.
* Please see the section on Committee changes on page 117 for further details.

Matters considered by the Board in 2023

January
- Review of financing options
- Update on Caliplay
- Investment in Brazil
- Investment in Hard Rock Digital
- Snaitech trading update

February
- Investment in Hardrock Digital

March
- Report from the Audit Committee
- Approval of preliminary announcement and financial statements for 31 December 2022
- Shareholder voting considerations
- Review of Asia business
- Update on US business
- New market opportunities
- SaaS Platform

April
- Review of LatAm business
- Review of Tax Strategy
- Ukraine

May
- Annual General Meeting
- Trading update
- Review of shareholder voting
- M&A update
- Structured agreements

June
- Live vertical strategy
- Bond offering update
- M&A update
- People and Talent
- LatAm regulation update
- Holland Casino review
- Net Zero plan

July
- B2B business transformation project update
- M&A update

August
- Review of structured agreements
- Operations update
- Snaitech trading update
- Tax update
- Legal update
- Caliplay update
- Safer Gambling

September
- Report from the Audit Committee
- Interim results and presentation

October
- Caliplay update
- Snaitech bid for acquisition of SKS365

November
- Board evaluation
- Budget 2024
- Board training
- Caliplay update

December
- Budget 2024

Our governance framework

The Board

The Board is collectively responsible for the long-term success of the Company. The Board provides entrepreneurial leadership for the Group and sets its strategic aims, purpose, values and standards. The Board oversees the Group's prudent and effective internal controls and risk management framework. The Board ensures the necessary resources are in place for the Company to meet its objectives and reviews management performance.

Read more on the Board's governance on **pages 111 and 112** and read the Directors' biographies on **pages 108 and 109**

Committees

The Board has established five formal Committees, which focus on their areas of expertise, enabling the Board to focus on strategy, performance, leadership and stakeholder engagement. The terms of reference for the Committees are available on the website www.investors.playtech.com/corporate-governance/our-committees. The Committees make recommendations to the Board following their meetings.

Audit

- Provides effective governance over the integrity of the Group's financial reporting, including the adequacy of related disclosures;
- monitors the performance and effectiveness of the Internal Audit function;
- reviews external audit independence and performance;
- ensures the Annual Report and Accounts is fair, balanced and understandable; and
- reviews the management of the Group's systems of internal control, business risks and related compliance activities.

Read more in the Audit Committee's Report on **pages 124 to 128**

Remuneration

- Makes recommendations to the Board on the Remuneration Policy for the Chairman, Executive Directors and senior management; and
- reviews workforce remuneration-related policies and oversees alignment of incentives and rewards with culture.

Read more in the Remuneration Report on **pages 129 to 145**

Sustainability and Public Policy

- Provides governance over the environmental, social and governance (ESG) considerations, continued effectiveness of the ESG strategy, and its implementation;
- reviews and makes recommendations to the Board on targets, policies and disclosures of ESG matters;
- monitors stakeholder engagement and sentiment towards ESG matters and liaises with other Committees as appropriate; and
- works closely with the Audit Committee regarding oversight and assurance of environmental disclosures (the Chair of the Committee is also a member of the Audit Committee).

Read more in our Sustainability Report on **pages 48 to 87**

Nominations

- Reviews the structure, size, composition and diversity of the Board and its Committees;
- makes recommendations for any changes considered necessary in the appointment, reappointment and removal of Directors to/from the Board and its Committees and ensures rigorous and transparent processes are in place;
- reviews the senior leadership needs of the Group to enable it to compete effectively in the marketplace;
- advises the Board on succession planning for Executive Director appointments, although the Board itself is responsible for succession generally; and
- supports development of a diverse succession pipeline and oversees policy on diversity and inclusion.

Risk and Compliance

- Determines the risk management strategy and reviews management's identification and mitigation of key risks and uncertainties;
- monitors the risk assessment programme;
- ensures structures, processes and responsibilities for identifying and managing risks are adequate;
- provides oversight and approval of relevant policies for the Group;
- monitors changes to the regulation of online gambling and the assessment of licensees' suitability;
- monitors ongoing compliance with the conditions of the regulatory licences held by the Group and any incidents and remedial activity; and
- works closely with the Audit Committee in carrying out its responsibilities (the Chairman of the Audit Committee is also a member of the Committee).

Read more on the activities of the Risk and Compliance Committee on **pages 95 to 100**

Disclosure

The Disclosure Committee ensures the accuracy and timeliness of the Company's public announcements and monitors the Company's obligations under the Listing Rules and Disclosure Guidance and Transparency Rules of the FCA. Meetings are held as required. Standing members of the Committee are set out on page 117.

Executive Management

As the key management committee for the Group, the Executive Management Committee considers and discusses plans and recommendations coming from the operational side of the business and from the various product verticals, in light of the Group's strategy and capital expenditure and investment budgets, including the implications of those plans (in areas such as resources, budget, legal and compliance). The Committee either approves the plans or, as necessary, refers the proposal for formal Board review and approval in accordance with the Company's formal matters reserved for the Board. Details of the standing members of the Committee are set out on page 117.

Our Committees

Committee composition

The Board has established five formal Committees, each focusing on its own area of expertise. The Committees' responsibilities are set out in our governance structure on page 116. These Committees enable the Board to focus on strategy, performance, leadership and stakeholder engagement. After their meetings, the Committees make recommendations to the Board.

The remit, authority and composition of each Committee are laid out and reviewed regularly to ensure that the support provided to the Board is effective. The Board considers the composition of the Committees reflects the Directors' experience, skills and competencies.

When necessary, the Board may delegate particular matters to ad hoc sub-Committees with clearly defined responsibilities and for a limited time.

Executive Committee membership

The members of the Committee are Mor Weizer (Chief Executive Officer), Chris McGinnis (Chief Financial Officer), Shimon Akad (Chief Operating Officer), Uri Levy (VP Business Development), Alex Latner (General Counsel), Ian Ince (Chief Compliance Officer), Sharon Kafman Raz (VP Finance), Kam Sanghera (Head of Tax), Karen Zammit (Head of Global HR), Lauren Iannarone (Chief Sustainability and Corporate Affairs Officer) and Brian Moore (Company Secretary). Other members of senior management are invited to the Committee as and when required.

Disclosure Committee membership

The Disclosure Committee meets as needed. At the date of this report the Disclosure Committee comprises Ian Penrose (Chair of the Audit Committee), Chris McGinnis (Chief Financial Officer), Alex Latner (General Counsel) and Brian Moore (Company Secretary).

Internal Audit

PwC LLP, in its capacity as provider of co-sourced internal audit services, may be invited to attend meetings of the Audit Committee to present matters or for the Committee to have the benefit of its experience.

Board Committee membership

The table below details the membership of the Committees as of 31 December 2023.

Committee membership	Audit	Remuneration	Nominations	Risk and Compliance	Sustainability and Public Policy
Brian Mattingley			Chair		
Ian Penrose	Chair	Member	Member	Member	
Linda Marston-Weston	Member	Member			Chair
Anna Massion		Chair	Member	Member	Member
Samy Reeb	Member			Chair	Member
Standing attendees	Company Secretary Director of Internal Audit Director of Internal Controls and Risk	Company Secretary	Company Secretary	Company Secretary General Counsel Director of Internal Audit Chief Data Privacy Officer	Company Secretary Chief Sustainability and Public Policy Officer

● Chair ● Member

Board Committee changes during the year

During 2023, the following changes to the Committees were implemented with effect from 29 September 2023:

- Ian Penrose assumed the Chair of the Audit Committee and was appointed to the Nominations Committee while stepping down from the Sustainability and Public Policy Committee.
- Samy Reeb was appointed to the Audit and Sustainability and Public Policy Committees and assumed the Chair of the Risk and Compliance Committee, replacing Anna Massion.
- Anna Massion became the Chair of the Remuneration Committee, replacing Ian Penrose, and was also appointed to the Sustainability and Public Policy Committee.

Between 1 January 2023 and 29 September 2023, the Committee composition was as follows:

- The Audit Committee was chaired by John Krumins and Ian Penrose, and Linda Marston-Weston were members of the Committee.
- The Nominations Committee was chaired by Brian Mattingley and Anna Massion and Ian Penrose were members of the Committee.
- The Remuneration Committee was chaired by Ian Penrose and Anna Massion and Linda Marston-Weston were members of the Committee.
- The Sustainability and Public Policy Committee was chaired by Linda Marston-Weston and Ian Penrose and John Krumins were members of the Committee.
- The Risk and Compliance Committee was chaired by Anna Massion and Ian Penrose and John Krumins were members of the Committee.

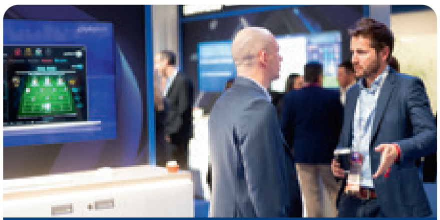
Considering stakeholders from the Board's perspective

The Board regularly engages, directly and indirectly, with a wide range of stakeholders throughout the year to understand current and evolving issues of interest, engaging constructively, responding and ensuring that the Company takes stakeholder perspectives into account when making short and long-term decisions. Our stakeholder engagement is set out on pages 44 to 47 of the Strategic Report.

The table below specifies the Board's engagement activities and how it is kept informed.

Colleagues

Shareholders and bondholders



Customers

How the Board seeks to engage

Colleagues

- Direct engagement through site visits to the US and Latvia, providing the opportunity to see the culture in operation and host strategy alignment sessions.

Read more on our site visits on **page 105**

- Attendance at tradeshows providing opportunity to meet with colleagues from around the globe.
- Indirect engagement through feedback from employee engagement surveys and HR briefings.
- Direct informal engagement attending site lunches, town halls and local events.
- The Board approved the creation of the Benevolent Fund for colleagues in need and one-off cost-of-living payments to eligible employee groups.

Shareholders and bondholders

- Direct engagement by meeting with shareholders throughout the year, though primary responsibility for effective communication with shareholders lies with the Chairman.
- The Executive Directors prepare a general presentation for analysts and institutional shareholders following the interim and full-year announcements and following significant acquisitions.
- Attendance at the AGM and responding to questions.
- Answering all queries raised by shareholders promptly.

Customers

- Direct engagement by face-to-face engagement at tradeshows.
- Indirect engagement through regular review of business development opportunities, operational performance and incident management.
- The Board held deep-dive sessions on structured agreements, Live and SaaS Platform.
- Indirect engagement by monitoring industry trends and developments.

How the Board is kept informed

Colleagues

- Regular Board updates from the COO and HR on employee issues and engagement with them on strategic and operational issues affecting and of interest to the workforce, including remuneration, talent pipeline and diversity and inclusion.
- The COO is a standing attendee at the Board meetings.
- Feedback from employee engagement surveys and updates particularly considering the current geopolitical events.
- Briefings on issues raised through the Speak Up/whistleblowing hotline.
- The Board held a People and Talent deep-dive session led by the Global Head of HR.

Shareholders and bondholders

- Regular updates and reports from the Head of Investor Relations on related matters, issues of concern to investors, and analysts' views and opinions.
- Regular updates and reports on engagement activities over the year with investors.
- Chair, CEO, CFO and SID met with several shareholders to discuss the Company's business and remuneration strategies throughout the year.
- Whenever required, the Executive Directors and the Chairman communicate with the Company's brokers, Goodbody and Jefferies, to confirm shareholder sentiment and to consult on governance issues.
- The Board reviewed and considered significant acquisition and investment opportunities throughout the year, resulting in the successful completion of the investment in Hardrock Digital.

Customers

- Regular operations updates and reports from the COO.
- Regular trading updates from Snaitech on performance including HAPPYBET and provided strategic guidance.
- COO is a standing attendee at Board meetings and regularly updates the Board.
- Presentations from product verticals on strategy and technology innovations.
- Briefings with functional leaders about emerging and live stakeholder issues.

Investor relations and communications

The Company has well-established investor relations (IR) processes, which support a structured programme of communications with existing and potential investors and analysts. Board members, Executive Directors and members of the IR team participate in a number of investor events, attend industry tradeshows, and regularly meet or are in contact with existing and potential institutional investors from around the world, ensuring that Group performance and strategy are effectively communicated, within regulatory constraints. Other representatives of the Board and senior management meet with investors from time to time.

Suppliers and technology partners

- Indirect engagement through review of operational updates, performance and incident management.
- Indirect engagement through review and approval of material supply and procurement contracts.
- Indirect engagement through review and approval of the Modern Slavery Statement, Supplier Code of Conduct and Environment Policy.
- Audit Committee reviewed the IT security strategy.
- The Board initiated a business transformation project for the B2B business, considering the realignment of resources to improve efficiencies and eliminate duplication.

- Regular operations updates from the COO.
- Periodic updates regarding the development of the procurement function, responsible supply chain practices and commercial developments with B2B licensees and third parties.
- Updates on cybersecurity and data protection.
- Briefings on any major incidents and remedial actions from functional heads.
- Updates on risk review from Internal Audit and Internal Controls functions.

Regulators and policy makers

- Direct participation with regulators at tradeshows, regulatory meetings and regulator roundtable events.
- Direct engagement in the licensing and suitability process in several jurisdictions.
- Participating in training and update briefings including on proposed governance and audit reforms.
- Indirect engagement considering developments on wider social responsibility issues and expectations and evolving macroeconomic, industry, political, regulatory and compliance developments.

- Receives regular updates from the Board on licensing, regulation, policy and compliance matters and data protection.
- The Chief Compliance Officer is a standing attendee at Board meetings.
- The Risk and Compliance Committee is kept informed of any changes to the regulatory position in any significant jurisdiction where the Group, through its licensees, may be exposed and updated on progress in relation to agreed action items on a regular basis.
- Updates from the Director of Internal Controls and Company Secretary on proposed reforms to the Code and audit requirements.
- The Board reviewed and approved policies and updates to them, for the Environment, Modern Slavery Statement, Human Rights, Safer Gambling, Responsible Marketing, Anti- facilitation of Tax Evasion; Anti-Money Laundering, Anti-bribery and Corruption, and Supplier Code of Conduct.
- The Board received a presentation on safer gambling, progress and use of AI technology.

Society and communities

- Direct engagement by participating in the Stakeholder Advisory Panel to inform and challenge our thinking on sustainability matters.
- Engagement and endorsement of management's recommendation and setting targets for SBTi and net zero and near-term targets.

- Regular updates on progress against the ESG strategy, policy and implementation.
- Chief Sustainability and Public Policy Officer is a standing attendee at Board meetings.
- Deep-dive sessions on Safer Gambling and People and Talent.

26
regulatory announcements in 2023

Regulatory announcements inform the market of corporate actions, important customer contracts, financial results, the results of the Annual General Meeting, and General Meetings and Board changes. Copies of these announcements, together with other IR information and documents, are available on the Group website, www.playtech.com.

Engaging with our colleagues

Latvia site visit

In June 2023, our Board travelled to Riga, Latvia, which is home to our largest Live facility. The Board spent two days in the Latvia facility, where it met with local management and employees to gain insight into the day-to-day operations and culture of the business.

Hosted by the Live management team, the Board received presentations from the Live management team on strategy, operational updates, innovations and the latest developments in technology for the Live vertical. The Board also presented the Group strategy for Playtech, its priorities, the importance of the Live vertical and future expectations.

The Board facilitated engagement sessions with groups of employees from Latvia, as well as representatives from other Live facilities. The employees provided background to their roles at Playtech and discussed various matters, from technology advancements and environmental factors for new studios to emerging risks and growth opportunities.

The Board toured the Live facility and learnt about the cutting-edge technology and development of the latest game show releases. Joining in the Live Academy training, the Board had an opportunity to participate in the training for local dealers and learn about the development of employees and the local operations.

During my visit to Latvia, I was inspired to see how our colleagues in Live are helping us to deliver on the Group's strategic priorities, create inspiring and innovative experiences, and embed sustainability as a core part of the operations and ethos of the business.

Linda Marston-Weston
Chair of the Sustainability and Public Policy Committee

Induction, training and succession planning

Induction

Newly appointed Directors receive a detailed and systematic induction on joining the Board, which is guided by the Chairman and supported by the Company Secretary.

The induction process is tailored to meet the skills and experience of the Director, as well as their interests in specific topics and Committee roles. Background information on the Company is provided, including discussions on the strategy, purpose, values and culture, and recent operational performance. Board policies and procedures are covered, and training is provided on Directors' duties, governance and regulatory requirements, as well as their responsibilities under the Market Abuse Regulation. Any specific training which is tailored to meet the Director's needs or fulfil Committee responsibilities is arranged as necessary.

Directors meet various members of Executive Management and senior management, as well as the other Non-executive Directors. New Directors receive briefing sessions to familiarise themselves with all core aspects of the Group's business, including operations, investor relations, regulation and compliance and sustainability. On request, meetings can be arranged with major shareholders, external advisers or other stakeholders.

Upon joining Committees, Directors are provided with sufficient background materials and sessions to understand the Committee's objectives and its recent activities.

"Joining Playtech, I welcomed the opportunity to meet the management team and appreciated the time taken walking me through the Company's vision and strategy. The induction gave me valuable insights into the Company's opportunities and challenges and how the Board addresses them, making it easier for me to utilise my experience and to contribute effectively."

Samy Reeb
Non-executive Director

Non-executive Director induction

Samy Reeb was appointed to the Board in January 2023. As part of the appointment process, Samy had the opportunity to meet some other Directors and Executive Management before joining the Board to get to know them.

Samy's induction started with the Company Secretary, who covered Board procedures, historical and Company information and regulatory requirements and facilitated induction training.

Samy had sessions with the Chairman and fellow Non-executive Directors on strategy, values and purpose, as well as recent activities and strategic and operational developments, in addition to several in-depth sessions with management team members.

Samy was invited to attend the ICE exhibition in his second month, where he met many of the colleagues of Playtech and some of the Company's stakeholders. Samy joined the Board on a tour of Playtech's exhibition where Playtech's product teams demonstrated the latest innovations.

Ongoing training

The Board receives annual training on core compliance topics and developments in governance, internal controls and sustainability, which independent advisers facilitate. Directors can receive tailored additional training, based on their specific experience and needs, to help them fulfil their roles on the Board and its Committees. During the year, members of senior management are invited to attend Board meetings occasionally to present on specific areas of the Group's business.

Succession planning

The Board is responsible for succession planning; however, the Nominations Committee advises the Board on its succession planning and leads the process for Director appointments in accordance with appropriate succession plans. Board composition, succession planning and talent development are considered annually.

The Nominations Committee meets on an as-needed basis. One formal meeting was held in 2023. One topic discussed was the consideration of candidates for appointment as a Non-executive Director. This led to the appointment of Ruby Yam, effective June 2023.

In November 2022, we reported the appointment of Chris McGinnis as CFO. The CFO Report on pages 88 to 94 details the progress of this transition during 2023.

The Nominations Committee monitors the composition and balance of the Board and its Committees, identifying and recommending to the Board the appointment of new Directors and/or Committee members.

The Nominations Committee believes that appointments should be based on merit, compared against objective criteria, to ensure the Board has the right skills, knowledge and experience to properly discharge its current and future responsibilities. As set out in our Board Diversity Policy, the Nominations Committee has committed to:

- reviewing Board composition, succession planning, talent development and the broader aspects of diversity on an annual basis;
- engaging with executive search firms committed to Playtech's approach to diversity, ensuring in every engagement that diversity is a core part of the engagement process with these firms and that the advisers share our values and approach in identifying and proposing a diverse slate of suitable candidates for appointment to the Board; and
- identifying suitable candidates for appointment to the Board based on merit against an objective criterion regarding the benefits of diversity in promoting success for the benefit of all stakeholders as well as the skills, experience, background, independence and expertise of current members of the Board.

Induction, training and succession planning continued

Evaluation

Frequency and review type

Year 1: External

Year 2: Internal

Year 3: Internal

The Board is committed to an ongoing formal and rigorous evaluation process for itself and its Committees to assess their performance and identify areas in which their effectiveness, policies and processes might be enhanced. The Board operates a three-year evaluation cycle, in line with the Code provisions.

External evaluation – progress

Starting in 2022 and continuing throughout 2023, Independent Audit Limited carried out the external evaluation. The approach included detailed questionnaires, individual interviews with Directors and members of senior management and attendance at Board and Committee meetings. The review noted the improvement in Board governance following a period of transformation under the leadership of the Chairman, Brian Mattingley. The Board had made good progress in achieving its primary objective of ensuring the long-term health of the business in the interests of all shareholders, ensuring that Playtech has a clear strategic direction. The evaluation highlighted the active participation in Board discussions and positive attitude towards governance from the Executive Team. Certain areas for improvement were identified, which are set out in the table below with details of the actions taken and progress made during 2023. In Q4 2023 a further review facilitated by Independent Audit commenced and findings will be presented to the Board in H1 2024.

Opportunities or focus area	Actions and progress made
Improvement in internal governance, processes and controls	• Financial controls improvement programme has continued into its second year. Read more in the Audit Committee Report on page 124. • A new Director of Internal Controls and Risk Management was appointed in 2023, and a wider internal controls programme was scoped and established in 2023. • An Internal Governance and Controls Steering Committee was introduced.
Enhancing visibility of the assessment and evaluation of investment opportunities	• Comprehensive reports with defined, consistent criteria are presented for all investment opportunities. • Expert advisers were invited to present to the Board on various aspects of certain investment opportunities. • A deep-dive session was held on structured agreements. • An Internal Controls and Risk function was established and risk and internal controls assurance map has been developed and presented to the Board.
Refinement of focus of Internal Audit and Risk Management	• The focus of the Internal Audit function was refined in 2023 and an Internal Audit Effectiveness review was carried out. • Internal Audit has separated from Risk Management, with Risk Management being transferred to the Internal Controls function. • Implementation of a new risk management framework driven by the Risk Committee.

Internal evaluation

In late 2023, an internal evaluation was carried out. The diagram below denotes the process of evaluation.

- Format of the evaluation was agreed by the Chairman and Senior Independent Director with the guidance of the Company Secretary.
- The Chairman, SID or Company Secretary, as appropriate, interviewed each of the Directors.
- Progress on the findings of the evaluation will be monitored by the Company Secretary.

Individual evaluation

Executive Directors are evaluated each year on individual performance against their performance criteria set by the Board, which are linked to the strategic and financial performance of the Company.

Non-executive Directors' contributions are assessed by the Chairman, Brian Mattingley, with the support of the Senior Independent Director, Ian Penrose. The Chairman confirms that each Director continues to make a significant contribution to the Board and the Group's business and is able to allocate sufficient time commitment.

There were no material areas of concern highlighted and the main outcome of the evaluation this year was to shape and define the Board's objectives for the coming year, continuing the focus on Group strategy, purpose and values and ensuring the structures, capabilities and reporting are in place to achieve the Board's goals.

The Senior Independent Director, Ian Penrose, conducts a review of the Chairman's performance, taking into account the views of the Non-executive Directors.

Summary

An internal team consisting of members drawn from Investor Relations, Group Secretariat and Group Finance have led the process on this Annual Report, including the Strategic Report, Governance Report and financial statements contained therein. When considering the contents of the report, the Board considered if the information by business unit in the Strategic Report is consistent with that used for reporting in the financial statements and if there is an appropriate level of consistency between the front and back sections of the report. In addition, the Board considered if the report is presented in a user-friendly and easy to understand manner. Following its review, the Board is of the opinion that the Annual Report and Financial Statements for 31 December 2023 is representative of the year and is confident that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Brian Mattingley
Chairman
26 March 2024

Audit Committee Report

Maintaining oversight and accountability

Ian Penrose
Chair of the
Audit Committee

"The Committee has spent a considerable amount of time focusing on the Group's financial controls and risks, as well as the impending requirements due to the changes to the Corporate Governance Code."

Dear Shareholder

Introduction

As Chair of the Audit Committee, I am pleased to introduce my first report for the year ended 31 December 2023, setting out how the responsibilities delegated to us by the Board were discharged over the course of the year, the key topics we considered and some of the additional factors which influenced our work.

I was appointed as Chair of the Audit Committee in September 2023, having been a member of the Committee since September 2018. I would like to thank John Krumins as the previous Committee Chair for his diligent leadership since September 2021. In advance of taking over as Chair, I completed a thorough handover which included meetings with John and other key stakeholders, including the Group CEO, the Group CFO, members of the Executive Management team, the finance, tax and internal control management teams and the internal and external audit teams. In addition, I met with Committee members to discuss the areas of improvement and where additional focus was required.

The Committee has spent a considerable amount of time focused on the Group's financial controls and risks, as well as the impending requirements due to the changes to the Corporate Governance Code. Furthermore, as a result of the legal dispute with Caliplay, since autumn 2023, the Committee has increased the number of times it has met (at least monthly) to assess, with the executive, legal and internal audit teams, together with BDO, the external auditor, Bryan Cave Leighton Paisner LLP (BCLP), the Group's legal advisers, and our co-sourced internal auditor, PwC, the continued accounting treatment and governance of the numerous accounting matters affected by the dispute. I would like to thank the Committee members, the Board and the executive team, together with the audit, legal and financial/governance advisers, who have worked diligently throughout this process.

Responsibilities

The Board is required by the UK Corporate Governance Code 2018 (the "Code"), which can be found on the Financial Reporting Council's website, www.frc.org.uk, to establish formal and transparent arrangements for considering how it should apply required financial reporting standards and internal control principles and also for maintaining appropriate relationships with the Company's external auditor, BDO LLP. The Committee's terms of reference can be viewed on the Company's website, www.playtech.com.

The Audit Committee's key objectives are: the provision of effective governance over the appropriateness of the Group's financial reporting, including the adequacy of related disclosures; monitoring the performance of both the Internal and External Audit function and reporting, and acting on their associated findings; and monitoring and challenging the effectiveness of the Group's systems of internal control, risk management and related compliance activities.

The specific responsibilities delegated to, and discharged by, the Committee include:

- approving and amending Group accounting policies;
- reviewing, monitoring and ensuring the integrity of interim and annual financial statements, and any formal announcements relating to the Company's financial performance, in particular the actions and judgements of management in relation thereto before submission to the Board;
- providing advice (where requested by the Board) on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance business model and strategy;
- reviewing the Company's arrangements for its employees to raise concerns, anonymously or in confidence and without fear of retaliation, about possible wrongdoing in financial reporting or other matters arising under the Group's whistleblowing policy;

- reviewing and approving the Internal Audit Charter and the Audit Committee terms of reference on an annual basis;
- reviewing and monitoring the external auditor's independence and objectivity, including the effectiveness of the audit services;
- monitoring and approving the scope and costs of audit;
- ensuring audit independence, implementing policy on the engagement of the external auditor to supply non-audit services, pre-approving any non-audit services to be provided by the auditor, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required;
- reporting to the Board on how it has discharged its responsibilities; and
- working closely with the Sustainability and Public Policy Committee to oversee governance over environmental, social and governance (ESG) considerations, and continued effectiveness of the ESG strategy and its implementation.

In particular, the Code calls for the description of the work of the Audit Committee to include its activities during the year, the significant issues considered in relation to the financial statements and how they were addressed, how the Committee assessed the effectiveness of the external audit process, the approach of the Committee in relation to the appointment or reappointment of the auditor and how objectivity and independence are safeguarded relative to non-audit services.

Composition and Audit Committee meetings

As at 31 December 2023, the Audit Committee comprises three independent Non-executive Directors. Ian Penrose was appointed as the Chair of the Audit Committee on 29 September 2023 having been a member of the Committee since 1 September 2018. Ian has considerable experience as a CEO, CFO and Non-executive Director across the gaming, leisure and technology sectors. The Board considers he has recent and relevant financial experience (he is also a Chartered Accountant, having qualified with Ernst & Young – now EY) in order to chair the Audit Committee. In addition to Ian Penrose, the other members are: Linda Marston-Weston, who was formerly a senior tax partner at Ernst & Young working with UK and global businesses across corporate finance, strategy, tax and leadership matters; and Samy Reeb, who commenced his career in tax advisory at Ernst & Young and tax management at Credit Suisse, before focusing on wealth advisory as an Executive Director at Julius Baer, and subsequently joining 1291 Group as Managing Partner. The range and depth of their financial and commercial experience enable them to deal effectively with matters they are required to address and to challenge management when necessary. The Committee is also authorised to obtain independent advice if considered necessary.

John Krumins was the Chair of the Audit Committee in the year until 29 September 2023, when he stepped down from the Board and his position as Chair of the Audit Committee following a smooth transition to Ian Penrose.

The Chair of the Audit Committee, Ian Penrose, was a member of the Committee prior to his appointment as Chair. Prior to this appointment, and in order to ensure a smooth transition into the role, Ian held a number of meetings with the Board, Committee members, the executive team and the external auditor to reassess matters relating to financial reporting, risk management and internal control, internal audit process and external audit process.

The Company Chairman, CEO, CFO, Director of Internal Audit, Director of Risk, Internal Control and Assurance, BDO and the Group's legal advisers, BCLP, attended meetings of the Audit Committee by invitation. The Vice President of Finance and the Corporate Finance Director were also invited to attend the meetings of the Committee that considered the year-end and interim financial statements. Finally, specific senior executives were invited to meet with the Committee to address particular areas of focus during the year, including tax, legal and structural considerations and compliance matters.

The members of the Committee meet the external auditor twice a year without any Executive Directors being present in order to receive feedback from them on matters such as the quality of interaction with management. The Chair also met or interacted with BDO on at least a monthly basis to discuss matters either involving the audit process or of general relevance to the Group.

Meetings of the Committee

The Committee met eight times during 2023 and, as noted earlier, have met a further five times in 2024 ahead of the conclusion of the 2023 Annual Report and Accounts. Furthermore, the three Committee members have held several meetings/Zoom calls to informally discuss the issues affecting the financial statements. The matters that were broadly considered by the Committee during the year included:

- review of the ongoing Caliplay dispute and impact on the financial statements of the Group for the year ended 31 December 2023;
- review of current and anticipated requirements for the Group's financial control systems;
- maturity assessment of the Group's control environment, including the review of third-party assessments and associated enhancement projects;
- the scope and effectiveness of the Group's system of internal controls and risk management;
- review of cybersecurity strategy, risks and system resilience;
- review of the structure and governance systems for investment in associates;
- review of Group treasury;
- the Group's strategy for managing tax risk;
- review of disclosure requirements, with specific focus on both Group revenue streams and related party considerations across the Group;

Audit Committee Report continued

Meetings of the Committee continued

- valuation of derivative financial assets held in LATAM operations;
- provisioning requirements and policies;
- data management and billing resilience;
- Board delegated authorities; and
- non-financial information updates:
  - synergies with Sustainability and Public Policy and Risk and Compliance Committees; and
  - review of ESG assurance metrics.

And in the normal course of Committee business:

- review and approve the Internal Audit Charter and the Internal Audit Plan;
- review Committee terms of reference;
- consider results of internal audit reviews, management action plans to resolve any issues arising and the tracking of their resolution; and
- Group refinancing, and going concern and long-term viability.

External audit

The Audit Committee advises the Board on the appointment, reappointment or removal of the Group's external auditor. BDO was the auditor when the Group moved to a premium listing and have remained as auditor since. This is Oliver Chinneck's fourth year as lead audit partner. BDO's appointment was formally reviewed in 2019 when a competitive tender process was run in respect of the audit for the year ended 31 December 2020.

The Committee considered the approach, scope and requirements of the external audit as well as the efficacy and independence of BDO. The Audit Committee met with BDO to discuss the external auditor's report to the Committee and review the letter of representation.

Following the publication by the FRC of the Audit Committees and the External Audit: Minimum Standard, the Audit Committee will be ready to demonstrate compliance with what will be mandatory requirements, noting that currently best practice guidance is being applied.

Key estimates, judgements and financial reporting standards

Impact of Caliplay dispute

The Committee directed work this year to ensure that robust evidence was gathered to enable the Directors to make their significant judgement over revenue recognition and recoverability of outstanding debt, following the ongoing Caliplay dispute. The dispute and the significant judgements made are further explained in Note 7 of the financial statements, and involved additional Audit Committee meetings in late 2023 and early 2024 to understand the progress of the dispute and obtain advice from external legal and accounting experts in relation to the significant judgement made and the conclusions reached. The Committee also ensured that sufficient disclosures were included in Note 7 and the rest of the Annual Report, capturing all other financial statement areas which the dispute has had an impact on as at 31 December 2023 (for example the valuation of the Playtech M&A Call Option) or could potentially be impacted going forward depending on the outcome of the dispute (for example the CGU impairment review and assessment of recoverability of the Group's deferred tax asset).

Revenue recognition

The Audit Committee reviewed the judgements made in respect of revenue recognition, in particular in assessing whether it is acting as a principal or an agent. In making these judgements, the Group considers, by examining each contract with its business partners, which party has the primary responsibility for providing the services and is exposed to the majority of the risks and rewards associated with providing the services, as well as if it has latitude in establishing prices, either directly or indirectly. The business model of this division is predominantly a revenue share model which is based on software fees earned from B2C business partners' revenue. The Committee concluded that the Group's revenue recognition policy relating to these types of contracts is in line with IFRS requirements.

Goodwill and intangible assets

During the year, the Audit Committee also considered the judgements made in relation to the valuation methodology adopted by management to support the carrying value of goodwill and other intangible assets, to determine whether there was a risk of material misstatement in the carrying value of these assets and whether an impairment should be recognised.

The Committee considered the assumptions, estimates and judgements made by management to support the models that underpin the valuation of goodwill and other intangible assets in the balance sheet. Business plans and cash flow forecasts prepared by management supporting the future performance expectations used in the calculations were reviewed, as were the valuation methodologies applied. The Committee noted that analyses and conclusions considered factors such as higher inflation and the ongoing Caliplay dispute.

The Committee particularly considered the outcome of the impairment reviews performed by management. The impairment reviews were also an area of focus for the external auditor, which reported its findings to the Committee. The Committee satisfied itself that the conclusions made on the impairments of the Sports B2B, Eyecon and Quickspin cash-generating units were reasonable, and, aside from that, there were no other material impairments to the carrying value of goodwill or other intangible assets.

Classification and valuation of investment in associates and derivative financial assets

The Audit Committee has considered the judgements made in determining the classification of each structured agreement arrangement, as further explained in Note 7 of the financial statements, and in particular using the appropriate guidance under the accounting standards to determine the existence of control or significant influence.

In reviewing each assessment, the Committee is satisfied that each classification, which is further explained and disclosed in Note 21 of the financial statements, is correct and in accordance with the accounting standards.

The Group engaged external valuation specialists to perform the valuations of the Playtech M&A Call Option, who were guided by management in terms of judgements made, with the rest of the valuations being completed in house by the Playtech finance team. The Audit Committee reviewed and challenged the resulting values of each arrangement and is comfortable with the assumptions, estimates and judgements in each of the valuations, including the valuation methodology applied. The Audit Committee is also satisfied with the judgement made in relation to the Caliplay dispute and the impact this judgement has on the valuation of the Playtech M&A Call Option as further explained in Notes 7, 21A and 21C.

Other financial statement areas

The Audit Committee also reviewed the level of judgement and estimation required in the following areas of the financial statements, documented in management papers, and it is satisfied that the judgement made and disclosures included in the financial statements are reasonable and in line with each applicable IFRS:

- reasonableness of discounts and concessions applied in recognising revenue from various licensees (in the form of marketing contributions or discounts to revenues earned);
- accounting and fair value assessment of the Group's investment in Hard Rock Digital as at 31 December 2023;
- recoverability assessment of trade and other receivables as at 31 December 2023;
- impairment review of investments held by Playtech plc in other Group companies, and in particular the investment in Playtech Software Limited; and
- recoverability assessment of the Group's deferred tax assets in relation to UK tax losses.

Finally, the Audit Committee assessed the adjusted performance measures as further explained in Note 6U and adjusting items in Note 11 with reference to European Securities and Markets Authority (ESMA) guidelines and is satisfied that these are reasonable and appropriately disclosed.

Viability and going concern statements

The Committee reviewed management's work on assessing risks and potential risks to the Company's business for both the going concern and viability statement periods, which included challenging the approach taken by management to support the going concern statement on page 147 and viability statement set out on pages 101 and 102 by considering the Group's principal and emerging risks. This included the assumptions made on the repayment of the Group's borrowings when they fall due and the payment for the renewal of the Italian gaming licences. Furthermore, the Committee reviewed the assumptions made in both the base case and stress test scenarios in relation to the Caliplay dispute and in particular the outcome of the statements made in the stress test scenario which included the remote scenario that no further cash is received by the Group from Caliplay. Following this review, the Committee was satisfied that management had conducted a strong and thorough assessment and recommended to the Board that it could approve the viability and going concern statements.

Financial Reporting Council (FRC) review

As noted in the 2022 Audit Committee Report the FRC commenced a review into the 2021 audit completed by BDO. The review was ongoing at the conclusion of the 2022 Annual Report but was concluded in the current year.

BDO kept the Committee updated with the progress of the review findings and addressed certain initial matters arising during the 2022 year-end audit. The Committee was satisfied with the final outcome of the review which concluded the audit required limited improvements. The FRC identified certain areas of limited significance that required improvement and the Committee received an update from BDO as to how these were addressed in the 2023 audit. As part of the process the Chair met with the FRC team both at the start and conclusion of the review.

Independence and non-audit services

The Audit Committee, on behalf of the Board, undertakes a formal assessment of the auditor's independence each year, which includes:

- a discussion with the auditor of a written report detailing all relationships with the Group and any other parties which could affect independence or the perception of independence;
- a review of the auditor's own procedures for ensuring independence of the audit firm and partners and staff involved in the audit, including the periodic rotation of the audit partner;
- obtaining written confirmation from the auditor that it is independent; and
- a review of fees paid to the auditor in respect of audit and non-audit services.

The FRC's Revised Ethical Standard introduced certain specific criteria for non-audit work. This included the introduction of a non-audit services fee cap and white list of permitted services. A breakdown of audit and non-audit fees is included in Note 12 to the financial statements on page 193.

The Committee remains satisfied with the manner, robustness and level of challenge of BDO's audit processes and believe BDO should remain as auditor for 2024. The reappointment will be formally considered at the Annual General Meeting.

Audit Committee Report continued

Internal Audit

The Company has an Internal Audit function where the Director of Internal Audit reports directly to the Chair of the Audit Committee and has direct access to all executives.

The key objective of the Internal Audit function is to provide the Board, the Audit Committee and management independent and objective assurance on risks and mitigating controls, and to assist the Board in meeting its corporate governance and regulatory responsibilities.

The scope of work of the Internal Audit function includes all processes, systems and activities of the Group. During the year, the Internal Audit team performed a number of audits over both individual entities and central functions across the Group which aimed to provide assurance across key risks and processes in the business.

The results of Internal Audit activities are reported to the Audit Committee on a regular basis, with recommendations made by the Internal Audit function and corresponding management actions being reviewed and challenged, where appropriate. In addition to regular feedback of audit results, the Internal Audit function monitors completion of management actions and provides updates of these to the Audit Committee.

An internal audit plan detailing activities for 2024 was developed by the Internal Audit function and was challenged and approved by the Audit Committee at the November 2023 Audit Committee meeting. The Internal Audit function will carry out engagements in accordance with this plan using a risk-based approach and continue to maintain effective lines of communication with the Audit Committee and key management. The Internal Audit function continually assesses the plan and the Audit Committee believes this assessment will ensure the internal audit plan remains fit for purpose and relevant in light of any new or emerging risks. The Internal Audit function is also utilised to provide assurance over corporate governance matters and for ad hoc projects, where necessary.

The Audit Committee confirms that any necessary action will be taken to remedy any significant failings or weaknesses identified from any Internal Audit reviews.

The Audit Committee reviews the quality and effectiveness of the Internal Audit function annually which also includes an assessment of the independence and objectivity of the team.

Internal control

A particular focus of the Audit Committee in 2023 was to continue its oversight of the high-profile enhancement of the Group financial controls through the Financial Control Improvement Programme. This follows the detailed review and re-set of the Group's internal control regime in light of good business practice and impending change to UK Corporate Governance legislation. This has been complemented by the establishment of a new Risk, Internal Control and Assurance function headed by an experienced Director. This function supports the Audit Committee's development of the Group's broader risk and internal control strategy, given the evolving nature of our strategic priorities, regulatory environments within which the Group operates and stakeholder interests.

In parallel to the review of the financial control improvement regime, the Audit Committee considered the Group's broader control framework and how best to assess overall governance given the evolving nature of the Group's strategic priorities, the regulatory environments in which the Group operates and stakeholder interests.

In order to monitor and challenge key dimensions of the Group's governance model the Audit Committee formalised a review process with each of the senior management responsible for compliance, sustainability, tax, IT and data security.

Looking ahead, the Committee acknowledges that Playtech will be subject to further regulatory and compliance requirements as it continues to expand geographically and the complexity of its business model increases, while at the same time regulators increase the levels of scrutiny across the sector. Accordingly, the Committee has taken steps to both broaden and deepen the control environment across the Group with particular focus on enhanced financial and non-financial controls, including establishing oversight of ESG, CSR, fraud management and broader security and audit regimes. To this end, during 2024, the Committee shall undertake a regular rhythm of review of the wider Internal Control Programme, along with associated roadmaps and actions relating to our readiness position for UK Corporate Governance changes. Following a consultation on the UK Corporate Governance Code (the "Code"), the FRC published a revised Code which will apply to financial years beginning on or after 1 January 2025 save for new Provision 29 (board declaration on effectiveness of its material internal controls), which will apply to financial years beginning on or after 1 January 2026. The 2024 changes to the Code are aimed at enhancing transparency and accountability of UK companies, taking a targeted, proportionate approach which focuses on a small number of changes to ensure the right balance is struck between UK competitiveness and positive outcomes for companies, investors and the wider public.

During the latter half of 2022 and throughout 2023 a review of the Committee's effectiveness was carried out as part of an external evaluation. The evaluation was carried out by Independent Audit Limited. A further facilitated review commenced towards the end of 2023 and it is intended that this review will be discussed by the full Board in H1 2024.

I believe the skills and experience of the Committee members remain strong and relevant, enabling the Audit Committee to continue to perform effectively.

Ian Penrose
Chair of the Audit Committee
26 March 2024

Statement by the Committee Chair

Restructured remuneration aligns with performance

Anna Massion
Chair of the Remuneration Committee

The Committee continues to work hard to improve corporate governance and strengthen the pay-for-performance culture in the business."

Dear Shareholder

On behalf of the Board, I welcome the opportunity to present the Remuneration Committee's report on Directors' remuneration for the year to 31 December 2023. This is my first Directors' Remuneration Report (the "Report") as Chair of the Remuneration Committee (the "Committee"), and I would like to thank my colleague Ian Penrose for his stewardship of the Committee since November 2018.

This report describes how the Board has applied the principles of the 2018 UK Corporate Governance Code (the "Code") to Directors' remuneration. Although Playtech is an Isle of Man incorporated entity and, as such, is not required to comply with the UK regulations on Directors' remuneration, we recognise the importance of shareholder transparency. Accordingly, we can confirm that the Company adheres to the UK regulations as they relate to Directors' remuneration and the report below is divided into: (i) this Annual Statement; (ii) the new Directors' Remuneration Policy (the "Policy"), subject to approval by shareholders at the 2024 AGM; and (iii) the Annual Report on Remuneration that reports on the implementation of the Company's stated Remuneration Policy for the year to 31 December 2023. The Annual Report on Remuneration and this Statement will be the subject of an advisory shareholder resolution at the forthcoming AGM.

Business context

Playtech performed very strongly over the year and delivered Adjusted EBITDA up 9% to €432 million, ahead of previously raised expectations and Company budget. As well as delivering excellent financial results, the Group made important strategic and operational progress, including our expansion across the US, opening a third Live Casino facility in Pennsylvania and taking the number of licences granted to 11 with further applications pending. Our B2C division delivered revenues exceeding €1 billion for the first time, and Snaitech remains well positioned to benefit from the underpenetration of the online segment in Italy, given the strength of the brand, the continuous improvements to apps and technology, and a broadening of its content offering.

Performance and pay outcome for 2023

Annual bonus

The 2023 annual bonus outcome for the CEO and CFO is 95% and 100% of maximum, corresponding to 190% and 150% of salary, which results in a total payment of £1,603,600 and £600,000. 50% of these amounts (£801,800 and £300,000) will be paid once the 2023 Annual Report and Accounts has been signed off, a third of which (£267,267 and £100,000) will be used to purchase shares in the market at this time, which will be subject to recovery for two years. Despite excellent financial performance, the Remuneration Committee recognises that the ongoing dispute with our largest customer, Caliplay, has weighed on shareholder sentiment and Playtech's stock price performance. The Board and management are in ongoing discussions with Caliplay but there can be no certainty on what any outcome might be. The Board is confident that the outstanding funds will be recovered. In light of the dispute, the Remuneration Committee has decided to exercise its discretion to defer settlement of the remaining 50% of the annual bonus amounts pending resolution on the ongoing litigation with Caliplay.

LTIPs

As disclosed in last year's report, the estimated vesting outcome of the 2020 LTIP as at 31 December 2022 was 60.85% based on the final EPS outcome (93.4% of maximum) and estimated relative TSR outcomes (50% of maximum). Following the end of the TSR performance period on 25 October 2023, the final vesting outcome under the 2020 LTIP award was 74.21%. The awards are also subject to a two-year retention period post vesting. No discretion was exercised in determining the LTIP outcome for 2022.

No LTIP award was granted in 2021 due to the Company being in a closed period for most of 2021 so there was no vesting in respect of any LTIP awards this year.

Statement by the Committee Chair continued

New Directors' Remuneration Policy and how we will operate it in 2024

Review of Directors' Remuneration Policy

In line with corporate governance requirements, our Remuneration Policy is reviewed every three years and approved by shareholders. As such, during 2023 the Committee undertook a review of the Remuneration Policy to ensure it aligns to Playtech's purpose and strategic priorities, and supports our continued success. The review took into account UK listed market practice, corporate governance developments since the approval of our current Remuneration Policy in 2021 and remuneration benchmarking of the senior team including the Executive Directors.

The findings of the review were that the Remuneration Policy remained fit for purpose and has maintained a strong alignment between pay and performance over recent years. Therefore the Committee is proposing to put forward an unchanged Remuneration Policy for approval by shareholders at the 2024 AGM, save for a change to the normal LTIP grant for the CFO.

The Committee is proposing to increase the normal LTIP grant for the CFO to 200% of salary, aligned with the normal maximum grant awarded to the CEO and below the maximum award under the current Remuneration Policy of 250% of salary. Recognising his recent performance in role following his appointment as CFO and to the Board on 28 November 2022, the Committee feels it is appropriate to increase his LTIP opportunity to 200% in order to provide equal equity upside for both Executive Directors. The proposals also support a rebalancing of performance-based pay to ensure that the CFO's remuneration package is more heavily weighted to drive performance and alignment with shareholders over the longer term.

Base salary

The average salary increase for 2024 awarded to those employees across the UK workforce who were eligible to receive a salary increase was 1.4%. As set out in last year's report, the CFO's salary increased to £400,000 on 1 July 2023, and will not be increased until the next review on 1 January 2025. The Committee reviewed the CEO's salary and determined that there would be no increase effective 1 January 2024.

Annual bonus

The annual bonus opportunity for 2024 will remain unchanged at 200% and 150% of salary for the CEO and CFO respectively. Financial performance will continue to drive 70% of the bonus and will be split 50% EBITDA and 20% cash flow. As in previous years, the Adjusted EBITDA and cash flow targets have been set above City consensus in line with the Company's internal business plan. The remaining 30% of the bonus will be based on key strategic targets which will again include ESG measures. The CEO's strategic targets for 2024 will be based on the Company's strategy and to build on the progress made in 2023. The CFO's strategic targets for 2024, as they were in 2023, will be focused on continuing to build a leading finance organisation and supporting structure as well as ensuring the Group continues to operate in as efficient a manner as possible.

In line with the Directors' Remuneration Policy, 33.3% of any annual bonus payment will be deferred into shares for two years.

LTIP award

It is the intention of the Company to grant LTIP awards to the Executive Directors, senior management and staff in respect of 2024 as soon as practicable following the publication of the 2023 annual Results.

Pension

Executive Director pension contributions are now aligned with the wider workforce contribution of 7.5% of salary from 1 January 2023.

Review of wider workforce remuneration

The Committee (along with the support of the Executive Directors) commissioned a review of long-term incentive plan participation for Playtech employees during the year in order to ensure that the existing scheme remained appropriate. The review identified that for less senior employees the LTIP scheme was too complex and was not driving retention due to a lack of direct line of sight and influence over the performance conditions.

As such, it was determined that for a significant majority of below-Board participants the existing LTIP scheme would be replaced with a Restricted Share Plan (RSP) to ensure that the long-term incentive is easier to understand and therefore highly valued by participants. The existing LTIP scheme would remain in place for those key strategic leaders below-Board level to maintain a performance-based culture, with a clear link between the delivery of shareholder value and employee incentives.

Concluding remarks

The Committee continues to work hard to improve corporate governance and strengthen the pay for performance culture in the business, whilst materially reducing the fixed pay and pension contributions for the executives. We believe that this is having a significant positive impact on the financial performance of the business, and on delivering initiatives to materially improve shareholder returns.

The Committee and I hope that you find the information in this report helpful and informative, and we welcome any comments or questions ahead of the 2024 AGM.

Anna Massion
Chair of the Remuneration Committee
26 March 2024

Directors' Remuneration Policy

For approval at 2024 AGM

As set out in the Chair's statement, the Committee reviewed the current Directors' Remuneration Policy during the year to ensure it remained fit for purpose. The Committee determined that the Remuneration Policy continues to be appropriate for Playtech and therefore is proposing to put forward a largely unchanged Remuneration Policy which is intended to apply for three years from the date of the 2024 AGM, subject to shareholder approval.

Remuneration philosophy

Our Remuneration Policy is designed to reward the contributions of senior management as well as incentivise it to drive shareholder returns, and to maintain and enhance Playtech's position as the software and services provider of choice to the gambling sector.

Remuneration is delivered via fixed remuneration and simple and transparent incentive-based plans enabling the Executive Directors to be rewarded for delivering strong financial performance and sustainable returns to shareholders. In a fast-moving sector such as ours we need to apply the Policy flexibly in order to deliver the right level of overall pay to Directors.

Proposed changes to the Directors' Remuneration Policy and associated rationale

The Committee is proposing to increase the normal LTIP grant for the CFO to 200% of salary, aligned with the normal maximum grant awarded to the CEO and below the maximum award under the current Remuneration Policy of 250% of salary. Recognising his recent performance in role following his appointment as CFO and to the Board on 28 November 2022, the Committee feel it is appropriate to increase his LTIP opportunity to 200% in order to provide equal equity upside for both Executive Directors. The proposals also support a rebalancing of performance-based pay to ensure that the CFO's remuneration package is more heavily weighted to drive performance and alignment with shareholders over the longer term.

Considerations when forming the Remuneration Policy

This Policy has been formed in accordance with the principles and provisions in the Code. The table below sets out how the Committee has addressed various aspects in the Code:

- Clarity – The Committee's policy has been clearly set out in this report including the individual elements of remuneration and their operation.
- Simplicity – This proposed Policy is well understood by both management and shareholders and aligns to typical market practice.
- Risk – The Committee believes that the incentive structure does not encourage undue risk taking. There are a number of mechanisms available to the Committee, including discretions and malus and clawback provisions within incentive plans, that allow adjustment in the case that the Committee believes the outcomes are excessive.
- Predictability – The Policy table and the illustrations of remuneration provide an illustration of potential levels of remuneration that may result from the application of the Policy under different performance scenarios. The Committee believes that the range of remuneration scenarios is appropriate for the roles and responsibilities of the Executive Directors, based on the performance required for incentive awards to pay out.
- Proportionality – The Policy has been designed to give appropriate flexibility in operation, particularly in relation to incentive plan metrics, which allows the Committee to implement the Policy from year to year using the metrics that align with the Group's strategy. Furthermore, the Policy contains discretion to allow the Committee to adjust remuneration outcomes to ensure that they are reflective of overall performance in the short and long term.
- Alignment to culture – As well as aligning with the strategy of the business, the Policy has been formed to allow focus on broader stakeholders. In particular, there is an increased focus on employee and shareholder engagement through incentive metrics and Committee discretion.

Remuneration Policy for Executive Directors

The following table summarises each element of remuneration and how it supports the Company's short and long-term strategic objectives.

Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance
Base salary	To attract, retain and motivate high calibre individuals for the role and duties required. To provide a market competitive salary relative to the external market. To reflect appropriate skills, development and experience over time.	Normally reviewed annually by the Remuneration Committee, with any increases typically effective in January. Takes account of the external market and other relevant factors including internal relativities and individual performance. In reviewing salary levels, the Remuneration Committee may also take into account the effect of any exceptional exchange rate fluctuations in the previous year. Executive Directors decide the currency of payment once every three years (which can be in Pound Sterling, US Dollars or Euros) with the exchange rate being fixed at that time.	Other than when an executive changes roles or responsibilities, or when there are changes to the size and complexity of the business, annual increases will not exceed the general level of increases for the Group's employees, taking into account the country where the executive ordinarily works. If a significant adjustment is required, this may be spread over a period of time.	N/A

Directors' Remuneration Policy continued

For approval at 2024 AGM

Remuneration Policy for Executive Directors continued

Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance
Benefits	To help attract and retain high calibre individuals.	Benefits may include private medical insurance, permanent health insurance, life insurance, rental and accommodation expenses on relocation and other benefits such as long service awards. Other additional benefits may be offered that the Remuneration Committee considers appropriate based on the Executive Director's circumstances. Non-pensionable.	N/A	N/A
Annual bonus	Clear and direct incentive linked to annual performance targets. Incentivise annual delivery of financial measures and personal performance. Corporate measures selected consistent with and complement the budget and strategic plan.	Paid in cash and shares. Clawback and malus provisions apply whereby bonus payments may be required to be repaid for financial misstatement, misconduct, error, serious reputational damage and corporate failure.	200% of salary for the CEO and 150% of salary for other Executive Directors. 33.3% of any payment is normally deferred into shares for two years which are subject to recovery provisions.	Performance measured over one year. Based on a mixture of financial performance and performance against strategic objectives. Normally, at least 70% of the bonus will be dependent on financial performance. Bonus is paid on a sliding scale of 0% for threshold, increasing to 100% for maximum performance.
Long Term Incentive Plan (LTIP)	Aligned to key strategic objective of delivering strong returns to shareholders and earnings performance.	Grant of performance shares, restricted shares or options. Two-year holding period will be applied to vested shares (from 2019 awards), subject to any sales required to satisfy tax obligations on vesting. Clawback and malus provisions apply whereby awards may be required to be repaid for instances of financial misstatement, misconduct, error, serious reputational damage and corporate failure.	Maximum opportunity of 250% of salary with normal grants of 200% of salary in performance shares for the CEO and other Executive Directors.	Performance measured over three years. Performance targets aligned with the Group's strategy of delivering strong returns to shareholders and earnings performance. 25% of the awards vest for threshold performance.
Pension	Provide retirement benefits.	Provision of cash allowance.	Pension for Executive Directors will be in line with the pension plan operated for the majority of the workforce in the jurisdiction where the Director is based.	N/A

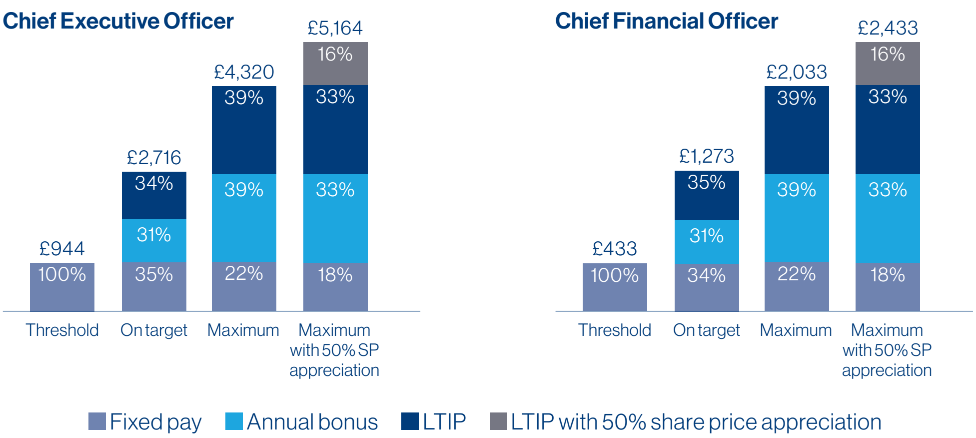
Element of remuneration	Short-term and long-term strategic objectives	Operation	Opportunity	Framework to assess performance
Share ownership guidelines	The Company has a policy of encouraging Directors to build a shareholding in the Company.	Executive Directors are expected to accumulate a shareholding in the Company's shares to the value of at least 200% of their base salary. Executive Directors are required to retain at least 50% of the net of tax out-turn from the vesting of awards under the deferred bonus plan and LTIP until the minimum shareholding guideline has been achieved. Shares must be held for two years after cessation of employment (at lower of the 200% of salary guideline level, or the actual shareholding on departure).	N/A	N/A
Non-executive Directors	To provide a competitive fee for the performance of NED duties, sufficient to attract high calibre individuals to the role.	Fees are set in conjunction with the duties undertaken. Additional fees may be paid on a pro-rata basis if there is a material increase in time commitment and the Board wishes to recognise this additional workload. Any reasonable business-related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed.	Other than when an individual changes roles or where benchmarking indicates fees require realignment, annual increases will not exceed the general level of increases for the Group's employees.	N/A

Explanation of chosen performance measures and target setting

Performance measures will be selected to reflect the key performance indicators which are critical to the realisation of our business strategy and delivery of shareholder returns. The performance targets are reviewed each year to ensure that they are sufficiently challenging. When setting these targets the Committee will take into account a number of different reference points including, for financial targets, the Company's business plan and consensus analyst forecasts of the Company's performance. Full vesting will only occur for what the Remuneration Committee considers to be excellent performance.

Remuneration scenarios for Executive Directors at different levels of performance

The graphs below illustrate how the total pay opportunities for the Executive Directors for 2024 vary under three performance scenarios: minimum, on target and maximum.



1 The value of benefits are in line with the values paid during 2023 as stated in the single figure table.

2 Assumptions when compiling the charts are: threshold = fixed pay only (base salary, benefits and pension), target = fixed pay plus 50% of annual bonus payable and 55% of LTIP vesting and maximum = fixed pay plus 100% of annual bonus payable and 100% of LTIP vesting.

3 Share price appreciation has been taken into account for the maximum column on the basis of a 50% increase in the share price across the performance period.

Directors' Remuneration Policy continued

For approval at 2024 AGM

Policy on recruitment or promotion of Executive Directors

Base salary levels will be set to reflect the experience of the individual, appropriate market data and internal relativities. The Remuneration Committee may feel it is appropriate to appoint a new Director on a below market salary with a view to making above market and workforce annual increases on a phased basis to reach the desired salary positioning, subject to individual and Company performance.

Normal policy will be for the new Director to participate in the remuneration structure detailed above, including the maximum incentive levels for the Chief Executive Officer and Chief Financial Officer. The pension contribution will be aligned to the contribution received by the majority of the workforce in the jurisdiction in which the Director is based. Depending on the timing of the appointment, the Remuneration Committee may decide to set different annual bonus performance conditions for the first performance year of appointment from those stated in the Policy above. The Committee may also provide relocation expenses/arrangements, legal fees and costs.

The variable pay elements that may be offered will be subject to the maximum limits stated in the Policy table. The Remuneration Committee may consider it necessary and in the best interests of the Company and its shareholders to offer additional cash and/or make a grant of shares in order to compensate the individual for remuneration that would be forfeited from the current employer. Such awards would be structured to mirror the value, form and structure of the forfeited awards or to provide alignment with existing shareholders.

In the case of an internal promotion, any commitments entered into prior to the promotion shall continue to apply. Any variable pay elements shall be entitled to pay out according to its original terms on grant. For the appointment of a new Chairman or Non-executive Director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

Service contracts and exit payments

Executive Directors

Set out in the table below are the key terms of the Executive Directors' terms and conditions of employment. A bonus is not ordinarily payable unless the individual is employed and not under notice on the payment date. However, the Remuneration Committee may exercise its discretion to award a bonus payment pro-rata for the notice period served in active employment (and not on garden leave).

The LTIP rules provide that other than in certain "good leaver" circumstances awards lapse on cessation of employment. Where an individual is a "good leaver" the award would vest on the normal vesting date (or cessation of employment in the event of death) following the application of performance targets and a pro-rata reduction to take account of the proportion of the vesting period that has elapsed. The Committee has discretion to partly or completely disapply pro-rating or to permit awards to vest on cessation of employment.

Provision	Detail
Remuneration	Salary, bonus, LTIP, benefits and pension entitlements in line with the with the Directors' Remuneration Policy table on page 131
Change of control	No special contractual provisions apply in the event of a change of control
Notice period	12 months' notice from Company or employee for the CEO and 12 months' notice for the CFO • CEO contract signed on 1 January 2013 • CFO contract signed on 28 November 2022
Termination payment	The Company may make a payment in lieu of notice equal to basic salary plus benefits for the period of notice served subject to mitigation and phase payments where appropriate
Restrictive covenants	During employment and for 12 months thereafter

Non-executive Directors

The Non-executive Directors each have specific letters of appointment, rather than service contracts. Their remuneration is determined by the Board within limits set by the articles of association and is set taking into account market data as obtained from independent Non-executive Director fee surveys and their responsibilities. Non-executive Directors are appointed for an initial term of three years and, under normal circumstances, would be expected to serve for additional three-year terms, up to a maximum of nine years, subject to satisfactory performance and re-election at the Annual General Meeting as required.

The table below is a summary of the key terms of the letters of appointment for the Non-executive Directors.

The letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office and will be available before and after the forthcoming AGM.

Consideration of employment conditions elsewhere in the Company when setting Directors' pay

The Remuneration Committee, when setting the Policy for Executive Directors, takes into consideration the pay and employment conditions through the Company as a whole.

In determining salary increases for Executive Directors, the Committee considers the general level of salary increase across the Company. Typically, salary increases will be aligned with those received elsewhere in the Company unless the Remuneration Committee considers that specific circumstances exist (as mentioned in the Policy table) which require a different level of salary increase for Executive Directors.

Name	Date	Term	Termination
Brian Mattingley	1 June 2021	Until third AGM after appointment unless not re-elected	Six months' notice on either side or if not re-elected, disqualification or commits gross misconduct
Ian Penrose	1 September 2018	Until third AGM after appointment unless not re-elected	90 days' notice on either side or if not re-elected, disqualification or commits gross misconduct
Anna Massion	2 April 2019	Until third AGM after appointment unless not re-elected	
Linda Marston-Weston	1 October 2021	Until third AGM after appointment unless not re-elected	
Samy Reeb	4 January 2023	Until third AGM after appointment unless not re-elected	

Consideration of employment conditions elsewhere in the Company when setting Directors' pay continued

As part of the Committee's wider remit under the Code, the Committee will continue to monitor pay policies and practices within the wider Group and to provide input and challenge in respect of current policies and practices as well as any proposed future review and changes to ensure that they are appropriate, fair and aligned to the Company's remuneration principles and support the culture and growth of the business.

With respect to employee engagement, the Chairman of the Remuneration Committee (and the wider Board) engages with the CEO of Snaitech, the COO of our B2B activities and the Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce, including remuneration, talent pipeline and diversity and inclusion.

The Committee's policy is that annual salary increases for Executive Directors will not generally exceed the average annual salary increase for the wider employee population determined with reference to the country in which the Executive ordinarily works, unless there is a particular reason for any increase, such as a change in the Executive's roles and responsibilities or a change in the size and complexity of the business.

The Committee also considers external market benchmarking to inform the Executive's remuneration. External market benchmarking is also considered in relation to remuneration decisions of the wider workforce.

Consideration of shareholders' views

The Company is committed to engagement with shareholders and has engaged extensively on remuneration and other issues since the 2023 AGM, particularly as a consequence of the corporate activity. Shareholders provided valuable input into the Company's Remuneration Policy.

Legacy arrangements

In approving the Remuneration Policy, authority is given to the Company to honour any commitments previously entered into with current or former Directors that have been disclosed previously to shareholders.

Discretion vested in the Remuneration Committee

The Remuneration Committee will operate the annual bonus and LTIP according to their respective rules (or relevant documents) and in accordance with the Listing Rules where relevant. The Committee retains discretion, consistent with market practice, in a number of regards to the operation and administration of these plans. These include, but are not limited to, the following in relation to the LTIP:

- the participants;
- the timing of grant of an award;
- the size of an award;
- the determination of vesting;
- discretion required when dealing with a change of control or restructuring of the Group;
- determination of the treatment of leavers based on the rules of the plan and the appropriate treatment chosen;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events and special dividends); and
- the annual review of performance measures and weighting, and targets for the LTIP from year to year.

In relation to the annual bonus plan, the Remuneration Committee retains discretion over:

- the participants;
- the timing of a payment;
- the determination of the amount of a bonus payment;
- the determination of the treatment of leavers; and
- the annual review of performance measures and weighting, and targets for the annual bonus plan from year to year.

In relation to both the Company's LTIP and annual bonus plan, the Committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. material acquisition and/or divestment of a Group business) which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy. Given the unique, fast-changing and challenging environment in which the Group operates, the Remuneration Committee considers that it needs some discretion if, acting fairly and reasonably, it feels that the payout is inconsistent with the Company's overall performance taking account of any factors it considers relevant. Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

External directorships

The Group allows Executive Directors to hold a non-executive position with one other company, for which they can retain the fees earned.

Annual report on remuneration

The sections of this report subject to audit have been highlighted. The figures are shown both in Pounds and Euros, for ease of reference.

Directors' emoluments (in £) (audited)

	Mor Weizer		Chris McGinnis	
Executive Director	2023	2022	2023	2022
Salary[1]	844,000	816,000	375,000	33,205
Bonus[2]	1,603,600	1,632,000	600,000	—
Annual long-term incentive[3,4]	—	1,519,451	—	227,918
Benefits[5]	36,698	38,271	3,125	260
Pension	63,300	107,100	28,625	2,490
Total emoluments[6]	2,547,598	4,112,813	1,006,750	263,873
Total fixed pay[6]	943,998	961,371	406,750	35,956
Total variable pay[6]	1,603,600	3,151,451	600,000	227,918

Directors' emoluments (restated in €) (audited)

	Mor Weizer		Chris McGinnis	
Executive Director	2023	2022	2023	2022
Salary[1]	965,300	957,443	432,626	37,703
Bonus[2]	1,850,024	1,914,886	692,201	—
Annual long-term incentive[3,4]	—	1,746,356	—	261,953
Benefits[5]	42,195	44,798	3,606	294
Pension	72,796	125,895	33,024	2,816
Total emoluments[6]	2,930,314	4,789,379	1,161,457	302,767
Total fixed pay[6]	1,080,290	1,128,137	469,255	40,814
Total variable pay[6]	1,850,024	3,661,242	692,201	261,953

1 Basic salary of the Executive Directors is determined in Pounds Sterling and then converted into Euros at the average exchange rate applicable during the relevant financial year for the purpose of this report. Chris McGinnis was appointed to the Board on 28 November 2022 on a base salary of £350,000 and therefore the amounts disclosed for 2022 are in respect of the period he served as a Director. The Committee reviewed the Executive Directors' salaries with effect from 1 January 2023. It was decided that Mor Weizer's salary would be increased by 3.5%. As set out in last year's report, Chris McGinnis base salary was increased to £400,000 effective from 1 July 2023.

2 The figures for bonuses represent payments as determined by the Remuneration Committee for the Executive Directors based on the Company's performance during each financial year and by reference to their actual salary earned during the respective period. The bonuses were determined in Pounds Sterling and then converted into Euros at the exchange rates applicable as at 31 December 2022 and 31 December 2023 respectively. Details of: (a) how the annual performance bonus for the Executive Directors was determined; and (b) the timing of bonus payments are set out below. Chris McGinnis was appointed to the Board on 28 November 2022 but did not receive a bonus in respect of the period he served as a Director during 2022. At the time of Chris McGinnis' appointment as CFO in November 2022, and recognising that he was not to be entitled to a bonus for the period he served as a Director in 2022, it was agreed that, provided his performance was to the level expected by the Board during his first year, the bonus for 2023 would be based on his salary for the second half of the year of £400,000.

3 The LTIP awards granted in October 2020 and vested in October 2023 were subject to an EPS performance condition (measured over a three-year period from 1 January 2020 to 31 December 2022) and relative TSR performance conditions (measured over a three-year period from 26 October 2020 to 25 October 2023). As set out in last year's report, the final vesting outcome under the EPS condition was 93.4%. The final vesting outcome of the TSR conditions was 50.9%, and therefore the overall vesting outcome was 74.2%. This performance outcome corresponds to a total of 405,187 and 60,778 nil cost options vesting for Mor Weizer and Chris McGinnis respectively. The value included in the table for Mor and Chris is therefore £1,519,451 (€1,746,356) and £227,918 (€261,953), based on the share price on 26 October 2023 of £3.75 (€4.31), of which £35,251 (€109,400) and £5,288 (€16,410) relate to share price appreciation respectively. Further details on the LTIP outcomes for the 2020 awards are set out on page 138.

4 No LTIP award was granted in 2021 due to the Company being in a closed period for most of 2021.

5 Benefits include private medical insurance, permanent health insurance, car and life assurance.

6 The "Total fixed pay" and "Total variable pay" rows set out in the table may not appear to add up to the "Total emoluments" row due to rounding.

Non-executive Directors' emoluments (in £) (audited)[3,4]

	Fees		Annual bonus[2]		Benefits		Pension		Total emoluments	
Director	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Brian Mattingley	350,000	470,000	—	—	—	—	—	—	350,000	470,000
Ian Penrose	175,000	262,000	—	—	—	—	—	—	175,000	262,000
Anna Massion	155,000	252,000	—	—	—	—	—	—	155,000	252,000
John Krumins[1]	116,250	252,000	—	—	—	—	—	—	116,250	252,000
Linda Marston-Weston	155,000	252,000	—	—	—	—	—	—	155,000	252,000
Samy Reeb[1]	143,750	—	—	—	—	—	—	—	143,750	—
Ruby Yam[1]	58,333	—	—	—	—	—	—	—	58,333	—

Non-executive Directors' emoluments (in €) (audited)[2,3,4]

Fees are paid in Sterling and are translated into Euros in the table below:

	Fees		Total emoluments	
Director	2023	2022	2023	2022
Brian Mattingley	402,603	545,963	402,603	545,963
Ian Penrose	201,275	301,726	201,275	301,726
Anna Massion	178,288	290,041	178,288	290,041
John Krumins[1]	133,664	290,041	133,664	290,041
Linda Marston-Weston	178,276	290,041	178,276	290,041
Samy Reeb[1]	165,482	—	165,482	—
Ruby Yam[1]	68,116	—	68,116	—

1 Samy Reeb joined the Board on 4 January 2023 and Ruby Yam joined on 1 June 2023. Ruby Yam then stepped down on 11 July 2023 due to personal family reasons. John Krumins also stepped down from the Board following publication of the Group's interim results on 7 September 2023.

2 Non-executive Directors are not eligible to receive any variable pay under the Remuneration Policy, nor do they receive any remuneration in respect of benefits or pension.

3 The Chairman and Non-executive Directors received an increase effective from 1 January 2023. Further details of the fee levels are provided on page 139.

4 The Chairman and Non-executive Directors received additional fees in respect of the significant additional work performed in the year 2022, arising from the intense and lengthy corporate activity and global regulatory work. It is estimated that each of the Chairman and Non-executive Directors spent at least an additional 32 days working in 2022 over and above their contracted days. As such, it was determined that an additional fee equating to £132,000 (2021: £120,000) would be payable. This amount was based on the annual fee level for the Senior Independent Director, and then scaled back so that the amount was no more than 10% above the additional fees paid in respect of 2021, despite the more than 50% increase in additional days' work/commitment.

Determination of 2023 bonus

In accordance with the Company's Remuneration Policy, the CEO and CFO had the opportunity to earn a bonus in respect of 2023 of 200% and 150% of salary respectively. 2023 performance was assessed against a mixture of financial and non-financial targets as set out below. The bonus was payable on a sliding scale of 0% for threshold to 100% for maximum performance.

Performance metric	Weighting	Threshold	Maximum	Actual	CEO payout level (% of maximum)	CFO payout level (% of maximum)
Financial (70%):						
Adjusted EBITDA (€'m)	50%	€396m	€420m	€432m	50%	50%
Cash flow (€'m)	20%	€325m	€350m	€365m	20%	20%
Strategic and non-financial (30%)	30%		See below		25%	30%
Total	100%				95%	100%

As set out in the 2022 Directors' Remuneration Report, the financial performance targets were divided this year between Adjusted EBITDA and cash flow, with 50% and 20% weightings respectively. Adjusted EBITDA and cash generation are the key financial performance metrics of the Company most closely representing the underlying trading performance of the business. When setting the EBITDA targets for 2023, the Committee and Board took into consideration both consensus estimates and internal forecasts. The Adjusted EBITDA and cash flow targets were set above City consensus in line with the business plan. Maximum payout for achieving the financial targets has been set for achieving 110% of the stretching target level. During the year the targets were adjusted to reflect the reclassification of Snaitech online bank charges into EBITDA from financing costs, consistent with the definition of Adjusted EBITDA that the Company uses in its external reporting. The Committee was satisfied that the targets remained as stretching as originally intended. The cash flow target was achieved despite the year-end outstanding debtor balance from Caliplay as the Company exceeded its EBITDA target, kept a tight control on costs and practised prudent working capital management.

The non-financial performance targets (representing 30% of the total bonus potential) were selected to underpin key strategic objectives of the Group aligned with the business strategy. ESG targets set for 2023 were:

- Safer gambling – continued uptake and development of Playtech Protect solutions and safer gambling features.
- Environment – continued progress towards our stated emissions reduction target of 40% for Scope 1 and 2 emissions by 2025 (on a 2018 baseline) and supply chain emissions reduction as compared to a 2020 baseline.
- DEI targets – annual progress towards increasing female leadership to 35% from a 2021 baseline.
- Reputation, ethics and compliance – no new material ESG, ethical or compliance breaches resulting in significant reputational damage for the Group.

Annual report on remuneration continued

Determination of 2023 bonus continued

The Group made good progress against many of the key strategic and operational objectives set at the beginning of the year.

- Developing relationships with the Company's shareholder base (CEO: 5%) – met based on the relationships developed over the year with many of the Company's newer shareholders.
- Establishing partnership agreements in the US (CEO: 5%) – met based on the progress the Company continued to make in the US including the agreement signed with Hard Rock Digital.
- Leading the negotiation of the Caliente agreement (CEO: 5%) – not met given the ongoing litigation with Caliplay as at 31 December 2023.
- Delivering financial gains from driving efficiencies (CEO: 7.5%; CFO: 10%) – met based on the significant cost efficiencies delivered as part of the Company's multi-year transformation programme which helped drive the Company's strong performance in the year.
- ESG (CEO: 7.5%; CFO: 10%) – met based on the significant progress on the ESG objectives in the year (please see the Sustainability Report for further details).
- Expansion of the treasury function and review of forecasting and internal controls functions (CFO: 10%) – met on the basis of the strong progress in the year including establishment of a Treasury function (appointing a Group Treasurer, significantly reducing number of bank accounts and deploying idle cash to generate finance income), reorganising the financial control function, establishing a three-year planning process, and appointing a Director of Internal Controls.

The financial performance of Playtech was strong in 2023 with performance exceeding the maximum target for both Adjusted EBITDA and cash flow. In combination with the performance against the strategic and non-financial metrics, this resulted in a 2023 annual bonus outcome for the CEO and CFO of 95% and 100% of maximum respectively, corresponding to 190% and 150% of salary. At the time of Chris McGinnis' appointment as CFO in November 2022, and recognising that he was not to be entitled to a bonus for the period he served as a Director in 2022, it was agreed that, provided his performance was to the level expected by the Board during his first year, the bonus for 2023 would be based on his salary for the second half of the year of £400,000. The outcomes result in a total payment of £1,603,600 and £600,000 for the CEO and CFO respectively. 50% of these amounts (£801,800 and £300,000) will be paid once the 2023 Annual Report and Accounts has been signed off, a third of which (£267,267 and £100,000) will be used to purchase shares in the market at this time, which will be subject to recovery for two years. Despite the excellent financial performance, the Remuneration Committee recognises that the ongoing dispute with our largest customer, Caliplay, has weighed on shareholder sentiment and Playtech's stock price performance. The Board and management are in ongoing discussions with Caliplay but there can be no certainty on what any outcome might be. The Board is confident that the outstanding funds will be recovered. In light of the dispute, the Remuneration Committee has decided to exercise its discretion to defer settlement of the remaining 50% of the annual bonus amounts pending resolution on the ongoing litigation with Caliplay.

The Committee is satisfied that the annual bonus payments to Executive Directors are a fair reflection of corporate and individual performance during the year.

LTIP vesting in the year

The LTIP awards granted in October 2020 will vest subject to an EPS performance condition (measured over a three-year period from 1 January 2020 to 31 December 2022) and relative TSR performance conditions (measured over a three-year period from 26 October 2020 to 25 October 2023). Based on performance to 31 December 2022, the outcome is expected to be as follows:

	Weighting	% of award vesting for threshold performance	Threshold performance	Maximum performance	Actual performance	Outcome (% of maximum)
Relative TSR – FTSE 250 index (excluding investment trusts)	37.5%	25%	6.44% (median)	32.73% (upper quartile)	36.76%	100%
Relative TSR – bespoke[1]	37.5%	25%	31.63% (median)	67.77% (upper quartile)		35.65%
Adjusted Diluted EPS	25%	25%	36 Euro cents	53 Euro cents	51.5 Euro cents	93.38%
Total	100%					74.21%

1 The bespoke peer group for the 2020 LTIP awards consisted of 888 Holdings plc, Betsson AB (B shares), Entain plc, International Game Technology plc, Gamesys Group plc, Kindred Group plc, Greek Organization of Football Prognostics S.A. (OPAP S.A.), Flutter Entertainment plc, Rank Group plc, Sportech plc and William Hill plc.

Awards for Mor Weizer and Chris McGinnis vested on 26 October 2023 as follows:

Director	Original number of awards granted	Number of awards vested	Total value[1]	Total value due to share price appreciation[2]
Mor Weizer	546,000	405,187	£1,519,451	£35,251
Chris McGinnis	81,900	60,778	£227,918	£5,288

1 Based on the share price of £3.75 as at 26 October 2023.

2 Calculated as the share price on 26 October 2023 of £3.75 less the share price on the date of grant of £3.663.

The awards are also subject to a two-year retention period post vesting.

No award was granted in 2021, due to the Company being in a closed period for 2021, and as such there was no other LTIP vesting in the year.

LTIP awards (audited)

On 5 May 2023 the following awards were made to the Executive Directors under the LTIP:

Director	Type of award	Total number of awards	Aggregate market value (£)
Mor Weizer	Nil cost option	292,548	1,688,002
Chris McGinnis	Nil cost option	90,988	525,000

Awards represented 200% of salary for Mor Weizer and 150% of salary for Chris McGinnis based on a share price on grant of 577 pence. There has been no change in the exercise price or date since the awards were granted.

The 2023 LTIP awards are subject to the following performance conditions:

Measure	Weighting	% of award vesting for threshold performance	Threshold	Maximum	Performance period
EPS growth	25%	25%	8% p.a. compounded	12% p.a. compounded	01.01.2023–31.12.2025
Relative TSR – FTSE 250 (excluding investment trusts)	37.5%	25%	Median of the comparator group	Upper quartile of the comparator group	05.05.2023–04.05.2026
Relative TSR – bespoke peer group[1]	37.5%	25%	Median of the comparator group	Upper quartile of the comparator group	05.05.2023–04.05.2026

1 The bespoke peer group for the 2023 LTIP awards consisted of 888 Holdings plc, Aristocrat Leisure Limited, Betsson AB (B shares), DraftKings A, Entain plc, Evolution AB, Flutter Entertainment plc, International Game Technology plc, Kindred Group plc, Light & Wonder inc, Greek Organization of Football Prognostics S.A. (OPAP S.A.), and Rank Group plc.

For performance between threshold and maximum, vesting will be determined on a straight-line basis. Any vesting will further be dependent on the Committee ensuring that the level of TSR performance achieved is consistent with the underlying performance of Playtech over the performance period.

Leaving arrangements for former CFO

The Remuneration Committee determined the following treatment to his variable remuneration.

2020 LTIP

As disclosed in last year's report, recognising that Andrew Smith was available to the business in the first half of 2023 (during his six-month notice period) to assist in an orderly transition at this important time for year-end financial reporting and controls, the Board determined that Andrew Smith would be entitled to his 2020 LTIP award. As set out above, the final vesting outcome of the 2020 LTIP award was 74.2%, resulting in 130,825 awards vesting for Andrew Smith. The value of these awards on the vesting date was £490,594.

Other payments

As part of Andrew Smith's settlement agreement, it was determined that he would be entitled to retain his company car following his departure from the business. Prior to transferring ownership to Andrew Smith, the company car was stolen during the year. As such, the sums recovered from the Company's insurance claim of £64,000 were paid to Andrew Smith.

2023 annual bonus

As disclosed in last year's report, recognising that Andrew Smith was available to the business in the first half of 2023 (during his six-month notice period) to assist in an orderly transition at this important time for year-end financial reporting and controls, the Board determined that Andrew Smith would be eligible for pro-rata bonus payment for the period until the end of his notice period during the 2023 financial year and in relation to the financial proportion of the 2023 annual bonus only. The amount paid to Andrew Smith was £233,923.

No payments other than those set out above were made to past Directors in 2023.

Implementation of Policy for 2024

This section sets out the proposed implementation of the Directors' Remuneration Policy in 2024. The proposed implementation does not contain any deviations from the Directors' Remuneration Policy approved by shareholders at the 2021 AGM.

Salary and fee review

As stated last year, salary reviews for the Executive Directors take place at the beginning of the calendar year as this will result in the alignment of salary reviews with the Company's financial year.

Accordingly, the Committee reviewed the salary for Mor Weizer, and it was decided that Mor Weizer would not receive a salary increase. The average salary increase for 2024 awarded to those employees across the UK workforce who were eligible for a salary increase was 1.4%. As stated previously, Chris McGinnis will not receive an increase until 1 January 2025.

The Committee has commissioned a market benchmarking exercise for all of the roles within its remit, including those in the wider senior management team, and will reflect on the results of this as well as pay and conditions across the wider workforce when considering any further amendments to salary levels next year.

The Committee reviewed the fees paid to the Chairman and the Non-executive Directors, and it was decided that these remain appropriate following the increase awarded on 1 January 2023. There will therefore be no increases to the fees for this population effective from 1 January 2024.

As such, the current basic salary levels of the Executive and Non-executive Directors from 1 January 2024 (together with the Euro equivalent at 31 December 2023 based on the exchange rate between Sterling and Euro used in the accounts) are:

- Mor Weizer: £844,000 (€973,697);
- Chris McGinnis: £400,000 (€461,468).
- Chairman: £350,000 (€403,784);
- Non-executive Director base fee: £140,000 (€161,514);
- additional Committee Chair fee: £15,000 (€17,305); and
- Senior Independent Director fee: £160,000 (€184,587).

Annual report on remuneration continued

Implementation of Policy for 2024 continued

Benefits

Benefits will continue to be in line with the approved Policy.

Pension

The pension contributions to Executive Directors will be 7.5% of salary, which is in line with the wider workforce.

Annual bonus

The annual bonus opportunity will remain unchanged at 200% of salary for the CEO and 150% of salary for the CFO.

For 2024, bonuses for the Executive Directors will be based on the following:

	Weighting	Performance target
Adjusted EBITDA	50%	Commercially confidential
Cash flow	20%	Commercially confidential
Non-financial and strategic objectives	30%	Commercially confidential

The Adjusted EBITDA and cash flow targets have been set above City consensus in line with the Company's internal business plan. The Committee considers the precise targets to be commercially confidential at this time, but these will be disclosed retrospectively in next year's Annual Report on Remuneration.

The non-financial and strategic objectives will include ESG measures, consistent with the approach taken in 2023.

The level of bonus payable by reference to the financial performance of the Company will be determined on a sliding scale. There will be retrospective disclosure of the targets and performance in next year's report.

The annual bonus will be subject to recovery and withholding provisions in relation to material misstatement, gross misconduct or material error in calculation, for a serious reputational event and in the event of corporate failure. These provisions will apply for a period of three years after payment.

In line with the proposed Policy, 33.3% of any bonus earned will be payable in deferred shares.

Long Term Incentive Plan (LTIP)

In line with the normal schedule, the Committee intends to grant LTIP awards this year at 200% of salary for the CEO and CFO.

Awards made to Executive Directors will vest on the third anniversary of grant subject to: (i) participants remaining in employment (other than in certain "good leaver" circumstances); and (ii) achievement of challenging performance targets. The awards will be subject to relative TSR and Adjusted EPS performance. Full details of the performance targets will be disclosed at the time the awards are made and will be in line with the current Remuneration Policy.

Any vesting will also be dependent on the Committee ensuring that the level of performance achieved is consistent with the underlying financial performance of Playtech over the performance period.

LTIP awards will be subject to a two-year retention period post vesting.

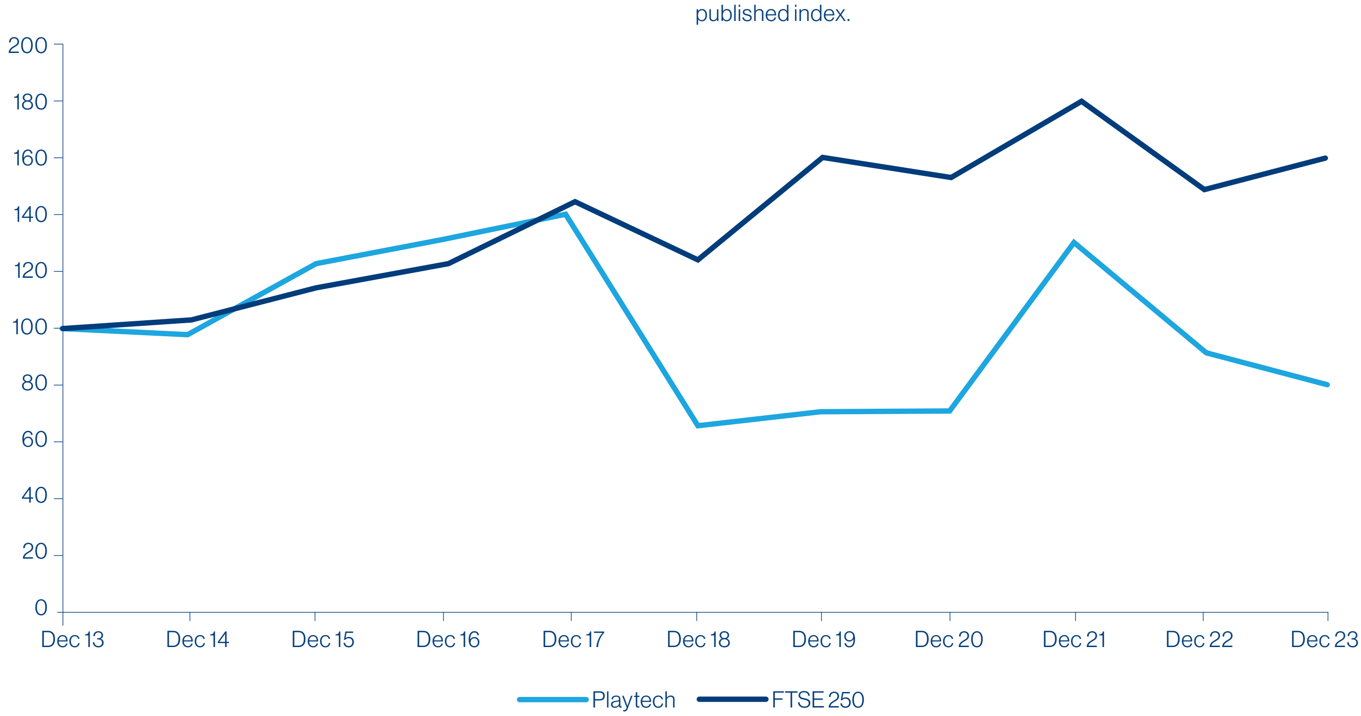
LTIP awards will be subject to recovery and withholding provisions in relation to material misstatement, gross misconduct or material error in calculation, for a serious reputational event and in the event of corporate failure. These provisions will apply for a period of three years post vesting.

Dilution limits

All of the Company's equity-based incentive plans incorporate the current Investment Association Guidelines on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital (or reissue of treasury shares), with a further limitation of 5% in any ten-year period for executive plans. The Committee monitors the position and prior to the making of any award considers the effect of potential vesting of options or share awards to ensure that the Company remains within these limits. Any awards which are required to be satisfied by market purchased shares are excluded from such calculations. As at 31 December 2023 we hold nil Treasury Shares following the transfer of Treasury Shares to the Employee Benefit Trust during the year. As at 1 January 2023, we held 2,937,550 shares in Treasury.

Review of performance

The following graph shows the Company's total shareholder return (TSR) performance over the past ten years; the Company's TSR is compared with a broad equity market index. The index chosen here is the FTSE 250, which is considered the most appropriate published index.



The Remuneration Committee believes that the Remuneration Policy and the supporting reward structure provide a clear alignment with the strategic objectives and performance of the Company. To maintain this relationship, the Remuneration Committee constantly reviews the business priorities and the environment in which the Company operates. The table below shows the total remuneration of Mor Weizer over the last ten years and annual variable and long-term incentive pay awards as a percentage of the plan maxima.

Remuneration of the CEO (Mor Weizer)	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Total remuneration (€'000)	1,740	2,449	2,346	4,192	2,055	2,931	1,905	10,802	4,950	**2,930**
Annual bonus (% of maximum)	100%	87.5%	100%	93%	25%	65%	24%	100%	100%	**95%**
LTIP vesting (% of maximum)[1]	—	—	—	70%	22%	—	—	46.16%	74.21%	**N/A**

1 As disclosed above, the LTIP award granted in 2020 is based on relative TSR performance until 25 October 2023, and therefore this figure represents the known EPS vesting and an estimate of the relative TSR vesting as at 31 December 2022.

Percentage change in remuneration of Directors compared with employees[1]

The following table sets out the percentage change in the salary/fees, benefits and bonus for each Director from 2020 to 2023 compared with the average percentage change for employees. All percentages are calculated based on the GBP value of pay, as this reflects how pay is set, ignoring the impact of exchange rate fluctuations. The increases, as detailed in this report, reflect the additional time spent on the business during the intense period of activity during the last two years.

	Salary/fees				Benefits				Bonus			
	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023
Executive Directors												
Mor Weizer	0%	-20.0%	+2.0%	+3.4%	+31.6%[3]	-1.6%	+10.5%	-4.1%	-63.1%	+233.3%	+2.0%	-1.7%
Chris McGinnis	N/A	N/A	N/A	+1,029.3%[4]	N/A	N/A	N/A	+1,101.7%[4]	N/A	N/A	N/A	N/A[4]
Non-executive Directors[2,5]												
Brian Mattingley	N/A	N/A	+69.6%[6]	-25.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ian Penrose	+2.5%	+116.7%	+12.3%	-33.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Anna Massion	+2.5%	+114.4%	+9.2%	-38.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Krumins	+2.5%	+114.4%	+9.2%	-53.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Linda Marston-Weston	N/A	N/A	+260.0%[6]	-38.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Samy Reeb[7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ruby Yam[7]	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wider workforce												
Average employee – UK based	+2.7%	+4.5%	+11%	+8%	+6%	+0.8%	+9.4%	+6.8%	+22%	-15.6%	+83%	-10%

1 Playtech plc has no employees. The UK workforce was chosen as a comparator group as the Remuneration Committee looks to benchmark the remuneration of the Chief Executive Officer with reference mainly to the UK market (albeit that he has a global role and responsibilities, and remuneration packages across the Group vary widely depending on local market practices and conditions).

2 The percentage change figures shown above between 2020 and 2021 for the Non-executive Directors have been updated to reflect additional fees paid during 2022 in respect of additional time commitment during 2021.

3 The increase in the value of Mor Weizer's benefits was due to the provision of a fully expensed company car.

4 The increase in the value of Chris McGinnis' salary and benefits in 2023 was due to his appointment to the Board part way through 2022. No change in the bonus amount can be provided for 2023 as he did not receive a bonus in respect of service as an Executive Director in 2022.

5 The increase for the Non-executive Directors in 2022 reflects additional fees paid in respect of the significant additional work performed in the year.

6 The increase in the value of Brian Mattingley and Linda Marston-Weston's fees in 2022 was due to their appointment to the Board part way through 2021.

7 Samy Reeb and Ruby Yam joined the Board in the year; therefore we are unable to compare changes in remuneration from prior years.

Annual report on remuneration continued

Pay ratio information in relation to the total remuneration of the Director undertaking the role of Chief Executive Officer

The table below compares the single total figure of remuneration for the Chief Executive Officer with that of the Group employees who are paid at the 25th percentile (lower quartile), 50th percentile (median) and 75th percentile (upper quartile) of its UK employee population between 2019 and 2023:

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**Method A**	**59:1**	**41:1**	**28:1**
2022	Method A	114:1	75:1	51:1
2021	Method A	229:1	160:1	107:1
2020	Method A	43:1	31:1	21:1
2019	Method A	73:1	52:1	35:1

The employees included are those employed on 31 December 2023 and remuneration figures are determined with reference to the financial year to 31 December 2023. The CEO is paid in GBP Sterling and the ratios have been calculated using the CEO's 2023 total single figure of remuneration expressed in GBP Sterling (£2.5 million).

Option A, as set out under the reporting regulations, was used to calculate remuneration for 2023, in line with the approach taken in 2022, as we believe that that is the most robust methodology for calculating these figures.

The value of each employee's total pay and benefits was calculated using the single figure methodology consistent with the CEO, with the exception of annual bonuses, where the amount paid during the year was used (i.e. in respect of the 2022 financial year) as 2023 employee annual bonuses had not yet been determined at the time this report was produced. No elements of pay have been omitted. Where required, remuneration was approximately adjusted to be on a full-time and full-year equivalent basis based on the employee's contracted hours and the proportion of the year they were employed.

The table below sets out the salary and total pay and benefits for the three quartile point employees:

	25th percentile		50th percentile		75th percentile	
	Salary	Total pay and benefits	Salary	Total pay and benefits	Salary	Total pay and benefits
2023	**£42,032**	**£43,443**	**£53,138**	**£62,068**	**£80,837**	**£92,117**

The Committee considers that the median CEO pay ratio is consistent with the relative roles and responsibilities of the CEO and the identified employee. Base salaries of all employees, including our Executive Directors, are set with reference to a range of factors including market practice, experience and performance in role. The CEO's remuneration package is weighted towards variable pay (including the annual bonus and LTIP) due to the nature of the role, and this means the ratio is likely to fluctuate depending on the outcomes of incentive plans in each year. The lower ratio this year reflects the fact that there was no LTIP vesting for the CEO in respect of the performance period ended 31 December 2023.

The Committee also recognises that, due to the flexibility permitted within the regulations for identifying and calculating the total pay and benefits for employees, as well as differences in employment and remuneration models between companies, the ratios reported above may not be comparable to those reported by other companies.

Relative importance of spend on pay

The following table sets out the amounts paid in share buybacks and dividends, and total remuneration paid to all employees:

Payouts	2023 €'m	2022 €'m	Change %
Dividends	**—**	—	0%
Share buybacks	**—**	—	0%
Total employee remuneration[1]	**444.7**	435.0	+2.2%

1 Total employee remuneration for continuing and discontinued operations includes wages and salaries, social security costs, share-based payments and pension costs for all employees, including the Directors.

Directors' interests in ordinary shares (audited)

Director	Ordinary shares 2023	Ordinary shares 2022	Share awards and share options 31 December 2023	Share awards and share options 31 December 2022	Total interests at December 2023
Executive Directors[2,3,6]					
Mor Weizer[1,4]	**376,475**	332,050	**2,761,662**	2,863,949	**3,138,137**
Chris McGinnis	**5,000**	5,000	**151,766**	81,900	**156,766**
Non-executive Directors[6]					
Brian Mattingley	**—**	—	**—**	—	**—**
Ian Penrose	**20,000**	17,500	**—**	—	**20,000**
Anna Massion	**32,000**	32,000	**—**	—	**32,000**
John Krumins[5]	**18,000**	18,000	**—**	—	**18,000**
Linda Marston-Weston	**—**	—	**—**	—	**—**
Samy Reeb	**—**	—	**—**	—	**—**
Ruby Yam[5]	**—**	—	**—**	—	**—**

1 The CEO's and CFO's share ownership is 200% and 6% of salary respectively based on the closing share price of 448.6 pence on 31 December 2023.

2 Share options are granted for nil consideration.

3 These options were granted in accordance with the rules of the Playtech Long Term Incentive Plan 2012 or the Playtech Long Term Incentive Plan 2022 (the "Option Plans"). Options under the Option Plans are granted as nil cost options and, in the case of Executive Directors exclusively, the options vest and become exercisable on the third anniversary of the notional grant date. Unexercised options expire ten years after the date of grant, unless the relevant employee leaves the Group's employment, in which case the unvested options lapse and any vested options lapse three months after the date that the employment ends.

4 Mr Weizer and Mr Smith were each granted an award in 2022 over 351,724 and 144,041 shares respectively. The Adjusted EPS performance condition is based over the financial year ending 31 December 2024, whilst the relative TSR performance conditions are based over the period of 19 August 2022 to 18 August 2025 with normal vesting scheduled for 18 August 2025. The awards granted to Mr Smith lapsed on cessation as part of the settlement agreement. Mr Weizer and Mr McGinnis were each also granted an award in 2023 over 292,548 and 90,988 shares respectively. The Adjusted EPS performance condition is based over the financial year ending 31 December 2025, whilst the relative TSR performance conditions are based over the period of 5 May 2023 to 4 May 2026 with normal vesting scheduled for 4 May 2026.

5 The shareholdings for John Krumins and Ruby Yam have been disclosed at the date at which they stepped down from the Board.

6 There was no movement in share interests between 31 December 2023 and the date of publication.

Role and membership

The Remuneration Committee is currently comprised entirely of three independent Non-executive Directors as defined in the Code. Anna Massion chairs the Committee, and the other members are Ian Penrose and Linda Marston-Weston.

Details of attendance at the Remuneration Committee meetings are set out on page 114 and their biographies and experience on pages 108 and 109.

The Committee operates within agreed terms of reference detailing its authority and responsibilities. The Committee's terms of reference are available for inspection on the Company's website, www.playtech.com, and include:

- determining and agreeing the Policy for the remuneration of the CEO, the CFO, the Chairman and other members of the senior management team;
- reviewing the broad Policy framework for remuneration to ensure it remains appropriate and relevant;
- reviewing the design of and determining targets for any performance-related pay and the annual level of payments under such plans;
- reviewing the design of and approving any changes to long-term incentive or option plans; and
- ensuring that contractual terms on termination and payments made are fair to the individual and the Company and that failure is not rewarded.

The Remuneration Committee also considers the terms and conditions of employment and overall remuneration of Executive Directors, the Company Secretary and members of the senior management team and has regard to the Company's overall approach to the remuneration of all employees. Within this context the Committee determines the overall level of salaries, incentive payments and performance-related pay due to Executive Directors and senior management. The Committee also determines the performance targets and the extent of their achievement for both annual and long-term incentive awards operated by the Company and affecting the senior management. In order to manage any potential conflicts of interest, no Director is involved in any decisions as to his/her own remuneration.

The Remuneration Committee takes advice from both inside and outside the Group on a range of matters, including the scale and composition of the total remuneration package payable to people with similar responsibilities, skills and experience in comparable companies, sectors and geographies that have extensive operations inside and outside the UK. A benchmarking exercise of the highest paid 20 individuals has recently been undertaken, to provide assurance that the remuneration levels and structures remain appropriate.

During the year the Remuneration Committee received assistance and advice from the Company Secretary, Brian Moore (who is also secretary to the Committee).

Annual report on remuneration continued

Role and membership continued

The Remuneration Committee has a planned schedule of at least three meetings throughout the year, with additional meetings and Zoom calls held when necessary. During 2023, the Committee met four times, addressing a wide variety of issues, including:

Month	Principal activity
January	• Review of bonus and other incentivisation arrangements in relation to Executive Directors and members of senior management • Review of pay increases for 2023
March	• Consideration of LTIP grant proposals for 2023 • Consideration of incentivisation arrangements in relation to members of senior management at Snaitech • Consideration of fees for Non-executive Directors • Consideration of benchmarking proposals
May	• Finalising LTIP grants for 2023
November	• Bonus proposals for 2023 • Review of LTIP allocation bands • New Remuneration Policy for 2024 AGM

External advisers

PwC served as the independent adviser to the Committee during 2023. PwC is a member of the Remuneration Consultants Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. Total fees for advice provided to the Committee were £80,040 on a time and materials basis.

Engagement with shareholders and shareholder voting

At the 2023 AGM the total votes received in favour of resolution for the Remuneration Report were 81.65%. Following the AGM and throughout the year, the Group has continued to engage with shareholders. The Committee consulted with major shareholders following the AGM to understand their views regarding the level of dissent shown in respect of the Remuneration Report. The principal reason given by those shareholders who were unable to support the resolutions related to the leaving arrangements in respect of the former CFO. Shareholders were more supportive of the changes to remuneration implemented since 2021 and therefore the Committee has not made any changes to how it operates the ongoing Remuneration Policy during 2023.

The Directors' Remuneration Policy and the Directors' Annual Report on Remuneration were each subject to a shareholder vote at the AGM held on 26 May 2021 and 24 May 2023 respectively, the results of which were as follows:

	For	Against	Withheld
Approval of Remuneration Report (24 May 2023)	206,807,047 (81.65%)	46,468,278 (18.35%)	16,701,536
Approval of Remuneration Policy (26 May 2021)	177,453,581 (75.47%)	57,668,932 (24.53%)	155,838

Engagement with the wider workforce

With respect to employee engagement, the Board and Chair of the Remuneration Committee engages with the COO of B2B, the CEO of Snaitech and Global Head of Human Resources on strategic and operational issues affecting and of interest to the workforce, including remuneration, talent pipeline and diversity and inclusion. The COO and CEO are standing attendees at the Board meetings. In addition, the Company has established a Speak Up hotline, which enables employees to raise concerns confidentially and independently of management. Any concerns raised are reported into the Head of Legal and Head of Compliance for discussion and consideration by the Risk and Compliance Committee. The Board considers the current mechanisms appropriate for understanding and factoring in stakeholder concerns into plc level decision making. However, the Board will assess whether additional mechanisms can strengthen its understanding and engagement of stakeholder concerns in the future.

Specifically, wide-ranging discussions were held around remuneration, reviewing benchmarking data about the competitiveness of Playtech's basic pay levels compared to peer groups and geographies. Bonus targets and quanta were reviewed to continue to improve the alignment of individual and Group operating and strategic performance. The Committee also took the opportunity to consider the list of team members who historically have been eligible for an LTIP grant, to ensure that this element of aligning employee and shareholder interests remains appropriate.

Furthermore, and working in conjunction with the Sustainability and Public Policy Committee, several discussions were held reviewing the Company's approach to diversity and inclusion, followed by setting the Company goals and targets in this area.

During 2023, the Board discussed, reviewed and engaged on a number of stakeholder issues. The material stakeholder topics discussed by the Board in 2023 included:

- executive compensation and pay;
- environmental, social and governance matters;
- developing the business in markets;
- corporate governance;
- diversity;
- inclusion and gender pay gap and regulatory and compliance developments;
- safer gambling;
- data protection;
- environment;
- anti-money laundering and anti-bribery and corruption;
- human rights and modern slavery;
- responsible supply chain and procurement; and
- commercial developments with B2B licensees and third parties.

By order of the Board

Anna Massion
Chair of the Remuneration Committee
26 March 2024

Directors' report

The Directors are pleased to present to shareholders their report and the audited financial statements for the year ended 31 December 2023.

The Directors' Report should be read in conjunction with the other sections of this Annual Report: the Strategic Report, including the Responsible Business and Sustainability Report and the Remuneration Report, all of which are incorporated into this Directors' Report by reference.

The following also form part of this report:

- the reports on corporate governance set out on pages 104 to 151;
- information relating to financial instruments, as provided in the notes to the financial statements; and
- related party transactions as set out in Note 37 to the financial statements.

Annual Report and Accounts

The Directors are aware of their responsibilities in respect of the Annual Report. The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Statement of Directors' Responsibilities appears on page 151.

Principal activities and business review

The Group is the gambling industry's leading technology company, delivering business intelligence-driven gambling software, services, content and platform technology across the industry's most popular product verticals, including casino, live casino, sports betting, virtual sports, bingo and poker. It is the pioneer of omni-channel gambling technology through its integrated platform technology. As of June 2018, through the acquisition of Snaitech, the Group directly owns and operates a leading sports betting and gaming brand in online and retail in Italy.

Playtech plc is a public listed company, with a premium listing on the Main Market of the London Stock Exchange. It is incorporated in the Isle of Man and domiciled in the UK.

The information that fulfils the requirement for a management report as required by Rule 4.1.5 of the Disclosure Guidance and Transparency Rules applicable to the Group can be found in the Strategic Report on pages 1 to 102 which also includes an analysis of the development, performance and position of the Group's business. A statement of the key risks and uncertainties facing the business of the Group at the end of the year is found on pages 95 to 100 of this Annual Report and details of the policies and the use of financial instruments are set out in Note 6 to the financial statements.

Directors and Directors' indemnity

The Directors of the Company who held office during 2023 and to date are:

	Appointed	Resigned
Brian Mattingley	01.06.2021	—
Mor Weizer	02.05.2007	—
Ian Penrose	01.09.2018	—
Anna Massion	02.04.2019	—
John Krumins	02.04.2019	29.09.2023
Linda Marston-Weston	01.10.2021	—
Chris McGinnis	28.11.2022	—
Samy Reeb	04.01.2023	—
Ruby Yam	01.06.2023	11.07.2023

All of the current Directors will stand for election and/or re-election at the forthcoming Annual General Meeting to be held on 22 May 2024.

Save as set out in Note 37 to the financial statements, no Director had a material interest in any significant contract, other than a service contract or contract for services, with the Company or any of its operating companies at any time during the year.

The Company also purchased and maintained throughout 2023 Directors' and Officers' liability insurance in respect of itself and its Directors.

Corporate governance statement

The Disclosure Guidance and Transparency Rules require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on pages 104 to 151 and is incorporated into this report by reference.

Disclaimer

The purpose of these financial statements (including this report) is to provide information to the members of the Company. The financial statements have been prepared for, and only for, the members of the Company, as a body, and no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

The financial statements contain certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of these financial statements and the Company undertakes no obligation to update these forward-looking statements. Nothing in this document should be construed as a profit forecast.

Results and dividend

The results of the Group for the year ended 31 December 2023 are set out on pages 161 to 235. The Company is not recommending the payment of a final dividend for the year ended 31 December 2023. This situation will be reviewed throughout 2024.

Going concern, viability, responsibilities and disclosure

The current activities of the Group and those factors likely to affect its future development, together with a description of its financial position, are described in the Strategic Report. Critical accounting estimates affecting the carrying values of assets and liabilities of the Group are discussed in Note 7 to the financial statements.

The principal and emerging risks are set out in detail in the Strategic Report on pages 97 to 100 together with a description of the ongoing mitigating actions being taken across the Group. The Board carries out a robust assessment of these risks on an annual basis, with regular updates being presented at Board and Board Committee meetings. These meetings receive updates from Finance, Legal, Tax, Operations, Internal Audit, Regulatory and Compliance, Data Protection, Human Resources, IT Security and Group Secretariat. The Group maintains a risk register which is monitored and reviewed on a continuous basis.

During 2023, the Board carried out an assessment of these principal risks facing the Group, including those factors that would threaten its future performance, solvency or liquidity. This ongoing assessment forms part of the Group's strategic plan.

After making appropriate enquiries and having regard to the Group's cash balances and normal business planning and control procedures, to include a detailed analysis of various scenarios, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence and meet their liabilities for a period of at least 15 months from the date of approval of the financial statements. In respect of the viability assessment, the Directors reviewed a three-year forecast considering the viability status for the period to December 2026 in accordance with the Group's three-year plan, which is considered to be an appropriate period over which the Group can predict its revenue, cost base and cash flows with a higher degree of certainty, as opposed to more arbitrary forms of forecasts based solely on percentage increases. Notwithstanding projected profitability over the forecast period, the Directors have no reason to believe that the Group's viability will be threatened over a period longer than that covered by the positive confirmation of long-term viability as per the Viability Statement on pages 101 and 102. Given the above, the Directors continue to adopt the going concern basis in preparing the accounts.

Significant shareholdings

As of 22 March 2024, the Company had been advised of the following significant shareholders each holding more than 3% of the Company's issued share capital, based on 309,294,243 ordinary shares in issue.

Shareholder	%	No. of ordinary shares
Interactive Brokers (EO)	7.82	24,185,203
Albula Investment Fund	5.37	16,594,432
TT Bond Partners	4.93	15,237,921
Future Capital Group	4.85	15,000,000
Setanta Asset Management	4.58	14,170,732
Mr Paul Suen Cho Hung	4.56	14,115,010
Vanguard Group	4.54	14,031,959
Blackrock	3.75	11,600,111
Dr Choi Chiu Fai Stanley	3.72	11,517,241
Dimensional Fund Advisors	3.36	10,385,793

The persons set out in the table above have notified the Company pursuant to Rule 5 of the Disclosure Guidance and Transparency Rules of their interests in the ordinary share capital of the Company.

The Company has not been notified of any changes to the above shareholders between 22 March 2024 and the date of this report.

Capital structure

As at 28 February 2024, the Company had 309,294,243 issued shares of no-par value. The Company has one class of ordinary share and each share carries the right to one vote at general meetings of the Company and to participate in any dividends declared in accordance with the articles of association. No person has any special rights of control over the Company's share capital.

The resolutions covering the authorities under the Company's articles of association for the Directors to issue new shares for cash and purchase its own shares were not passed at the Company's Annual General Meeting held in May 2023. Consideration is being given as to whether resolutions will be put forward to shareholders at this year's Annual General Meeting to consider and approve the authority for the Company to issue shares for cash and purchase its own shares.

Articles of association

The articles of association contain provisions similar to those which are contained within the articles of association of other companies in the gambling industry, namely to permit the Company to: (i) restrict the voting or distribution rights attaching to ordinary shares; or (ii) compel the sale of ordinary shares if a "Shareholder Regulatory Event" (as defined in the articles of association) occurs. A Shareholder Regulatory Event would occur if a holder of legal and/or beneficial interests in ordinary shares does not satisfactorily comply with a regulator's request(s) and/or the Company's request(s) in response to regulatory action and/or the regulator considers that such shareholder may not be suitable (a determination which in all practical effects is at the sole discretion of such regulator) to be the holder of legal and/or beneficial interests in ordinary shares. Accordingly, to the extent a relevant threshold of ownership is passed, or to the extent any shareholder may be found by any such regulator to be able to exercise significant and/or relevant financial influence over the Company and is indicated by a regulator to be unsuitable, a holder of an interest in ordinary shares may be subject to such restrictions or compelled to sell its ordinary shares (or have such ordinary shares sold on its behalf).

Directors' report continued

Voting rights

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the articles of association, on a show of hands every member who is present in person or by proxy and entitled to vote has one vote and on a poll every member who is present in person or by proxy and entitled to vote has one vote for every share of which he is the holder.

Restrictions on voting

No member shall, unless the Board otherwise determines, be entitled to vote at a general meeting or at any separate meeting of the holders of any class of shares, either in person or by proxy, in respect of any share held by him or to exercise any right as a member unless all calls or other sums presently payable by him in respect of that share have been paid to the Company. In addition, any member who, having been served with a notice by the Company requiring such member to disclose to the Board in writing, within such reasonable period as may be specified in such notice, details of any past or present beneficial interest of any third party in the shares or any other interest of any kind whatsoever which a third party may have in the shares, and the identity of the third party having or having had any such interest, fails to do so may be disenfranchised by service of a notice by the Board.

Transfer

Subject to the articles of association, any member may transfer all or any of his or her certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The Board may, in its absolute discretion, decline to register any instrument of transfer of a certificated share which is not a fully paid share or on which the Company has a lien. The Board may also decline to register a transfer of a certificated share unless the instrument of transfer is: (i) delivered for registration to the registered agent, or at such other place as the Board may decide; and (ii) accompanied by the certificate for the shares to be transferred except in the case of a transfer where a certificate has not been required to be issued by the certificate for the shares to which it relates and/or such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transferor, if the transfer is executed by some other person on his behalf, the authority of that person to do so, provided that where any such shares are admitted to AIM, the Official List maintained by the UK Listing Authority or another recognised investment exchange.

Amendment of the Company's articles of association

Any amendments to the Company's articles of association may be made in accordance with the provisions of the Isle of Man Companies Act 2006 by way of special resolution.

Appointment and removal of Directors

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall not be less than two and there shall be no maximum number of Directors.

Powers of Directors

Subject to the provisions of the Isle of Man Companies Act 2006, the memorandum and the articles of association of the Company and to any directions given by special resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company.

Appointment of Directors

Subject to the articles of association, the Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy, or as an addition to the existing Board, and may also determine the rotation in which any Directors are to retire. Without prejudice to the power of the Company to appoint any person to be a Director pursuant to the articles of association, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, but the total number of Directors shall not exceed any maximum number fixed in accordance with the articles of association. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company following such appointment and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at that meeting.

Retirement of Directors

At each Annual General Meeting, one-third of the Directors (excluding any Director who has been appointed by the Board since the previous Annual General Meeting) or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third shall retire from office (but so that if there are fewer than three Directors who are subject to retirement by rotation under this article one shall retire).

Removal of Directors

The Company may by ordinary resolution passed at a meeting called for such purpose, or by written resolution consented to by members holding at least 75% of the voting rights in relation thereto, remove any Director before the expiration of his period of office notwithstanding anything in the articles of association or in any agreement between the Company and such Director and, without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, may (subject to the articles) by ordinary resolution, appoint another person who is willing to act as a Director in his place. A Director may also be removed from office by the service on him of a notice to that effect signed by all the other Directors.

Significant agreements

There are no agreements or arrangements to which the Company is a party that are affected by a change in control of the Company following a takeover bid, and which are considered individually significant in terms of their impact on the business of the Group as a whole.

The rules of certain of the Company's incentive plans include provisions which apply in the event of a takeover or reconstruction.

Related party transactions

Details of all related party transactions are set out in Note 37 to the financial statements. Internal controls are in place to ensure that any related party transactions involving Directors, or their connected persons are carried out on an arm's length basis and are disclosed in the financial statements.

Political and charitable donations

During the year ended 31 December 2023 the Group made charitable donations of €2.5 million (2022: €2.7 million), primarily to charities that fund research into, and for the treatment of, problem gambling but also to a variety of charities operating in countries in which the Company's subsidiaries are based.

The Group made no political donations during this period (2022: Nil).

Sustainability and employees

Information with respect to the Group's impact on the environment and other matters concerning sustainability can be found on pages 48 to 87.

Employee engagement continues to be a top priority across the Group and, in accordance with principle D of the Code, we are looking at ways to increase engagement with our workforce and a further update will be included in next year's Annual Report. Various initiatives involving our employees are set out in the Strategic Report on pages 1 to 102 and in the statement dealing with our relationship with stakeholders on pages 44 to 47.

Applications for employment by disabled persons are always fully and fairly considered, bearing in mind the aptitude and ability of the applicant concerned. The Group places considerable value on the involvement of its employees and has continued to keep them informed of matters affecting them as employees and on the performance of the Group and has run information days for employees in different locations across the Group during the year. Details of our engagement with stakeholders are set out on pages 44 to 47. Some employees are stakeholders in the Company through participation in share option plans. Information provided by the Company pursuant to the Disclosure Guidance and Transparency Rules is publicly available via the regulatory information services and the Company's website, www.playtech.com.

Branches

Playtech plc has established a branch in England and Wales.

The Company's subsidiary, Playtech Holdings Limited, has established branches in Argentina, England and Wales. Playtech Software Limited (UK) has established a branch in Gibraltar. Intelligent Gaming Systems Limited has established a branch in Argentina. Quickspin AB has established a branch in Malta. V.B. Video (Cyprus) Limited has established a branch in Italy. VF 2011 Limited has established a branch in Gibraltar and Playtech Software Bulgaria Limited has established a branch in Spain. Playtech Retail Limited has established a branch in The Philippines. S-Tech Limited has established a branch in The Philippines. Paragon Customer Care Limited has established a branch in The Philippines. All three branches in The Philippines are in the process of being closed.

Regulatory disclosures

The information in the following tables is provided in compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules (DTRs).

The DTRs also require certain information to be included in a corporate governance statement in the Directors' Report. Information that fulfils the requirements of the corporate governance statement can be found in the Governance Report on page 110 and is incorporated into this Directors' Report by reference.

Disclosure table pursuant to Listing Rule 9.8.4C

Listing Rule	Information included	Disclosure
9.8.4(1)	Interest capitalised by the Group	None
9.8.4(2)	Unaudited financial information	None
9.8.4(4)	Long-term incentive scheme only involving a Director	None
9.8.4(5)	Directors' waivers of emoluments	None
9.8.4(6)	Directors' waivers of future emoluments	None
9.8.4(7)	Non-pro-rata allotments for cash	None
9.8.4(8)	Non-pro-rata allotments for cash by major subsidiaries	None
9.8.4(9)	Listed company is a subsidiary of another	N/A
9.8.4(10)	Contracts of significance	None
9.8.4(11)	Contracts of significance involving a controlling shareholder	None
9.8.4(12)	Waivers of dividends	None
9.8.4(12)	Waivers of future dividends	None
9.8.4(14)	Agreement with a controlling shareholder	None

Directors' report continued

Additional information provided pursuant to Listing Rule 9.8.6

Listing Rule	Information included	Disclosure
9.8.6(1)	Interests of Directors (and their connected persons) in the shares of the Company at the year end and not more than one month prior to the date of the notice of AGM	See page 143
9.8.6(2)	Interests in Playtech shares disclosed under DTR5 at the year end and not more than one month prior to the date of the notice of AGM	See page 147
9.8.6(3)	The going concern statement	See page 94
9.8.6(4)(a)	Amount of the authority to purchase own shares available at the year end	Nil
9.8.6(4)(b)	Off-market purchases of own shares during the year	None
9.8.6(4)(c)	Off-market purchases of own shares after the year end	None
9.8.6(4)(d)	Non-pro-rata sales of treasury shares during the year	None
9.8.6(5)	Compliance with the principles of the UK Corporate Governance Code	See the statement on page 110
9.8.6(6)	Details of non-compliance with the UK Corporate Governance Code	See the statement on page 110
9.8.6(7)	Re Directors proposed for re-election, the unexpired term of their service contract and a statement about Directors without a service contract	The CEO and CFO serve under service contracts described on page 112. The Chairman and the Non-executive Directors serve under letters of appointment described on page 112
9.8.6(8)	TCFD Recommendations and Recommended Disclosures	See pages 75 to 81
9.8.6(9)	Statement on board diversity	See page 113
9.8.6(10)	Numerical data on ethnic background	See page 113
9.8.6(11)	Explanation of approach to collecting data for LR9.8.6 R (9) and (10)	See page 113

Statement of Directors' Responsibilities

The Directors have elected to prepare the consolidated financial statements for the Group in accordance with UK-adopted International Accounting Standards and have elected to prepare the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework.

The Directors are responsible under applicable law and regulation for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group, for safeguarding the assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements state whether they have been prepared in accordance with International Accounting Standards as adopted by the UK subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements state whether they have been prepared in accordance with UK accounting standards (FRS 101), subject to any material departures disclosed and explained in the parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so; and
- prepare financial statements which give a true and fair view of the state of affairs of the Group and the Parent Company and of the profit or loss of the Group and the Parent Company for that period.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Isle of Man Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition, the Directors at the date of this report consider that the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Website publication

Financial statements are published on the Company's website. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

Each of the Directors, whose names and functions are listed within the Governance section on pages 108 and 109, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with International Accounting Standards adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

Annual General Meeting

The Annual General Meeting provides an opportunity for the Directors to communicate personally the performance and future strategy to non-institutional shareholders and for those shareholders to meet with and question the Board. All results of proxy votes are read out, made available for review at the meeting, recorded in the minutes of the meeting and communicated to the market and via the Group website.

The Annual General Meeting for 2024 is scheduled for 22 May 2024. The notice convening the Annual General Meeting for this year, and an explanation of the items of non-routine business, are set out in the circular that accompanies the Annual Report.

Auditor

So far as each Director is aware, at the date of the approval of the financial statements there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any information needed by the Group's auditor for the purposes of its audit and to establish that the auditor is aware of that information.

A resolution to reappoint BDO LLP as the Company's auditor will be submitted to the shareholders at this year's AGM.

Approved by the Board and signed on behalf of the Board.

Chris McGinnis
Chief Financial Officer
26 March 2024

Financial Statements

Financial Statements

Company information

Independent auditor's report

To the members of Playtech plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the Parent Company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice.

We have audited the financial statements of Playtech plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated and Company statements of changes in equity, the consolidated and Company balance sheets, the consolidated statement of cash flows, notes to the financial statements and notes to the Company financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit Committee.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' process in determining the going concern assessment of the period to 30 June 2025;
- confirming the assessment and underlying projections were approved by the Board as well as being prepared by appropriate individuals with sufficient knowledge of the Group's markets, strategies and risks;
- understanding and assessing the key assumptions in the cash flow forecasts and challenging these against prior performance and our knowledge of the business and industry;
- confirming, through enquiry with the Directors, review of Board minutes and review of external resources for any key future events that may have been omitted from cash flow forecasts and assessing the impact these could have on future cash flows;
- assessing the Directors' stress test scenarios and challenging whether other reasonably possible scenarios could occur;
- specifically assessing through a stress test the risk of the Caliplay outstanding receivables (see additional details below) not being recovered and no further cash being received in the going concern period as result of the ongoing dispute;
- assessing the Directors' reverse stress test to analyse the level of reduction in EBITDA that could be sustained before a covenant breach or liquidity event would be indicated;
- confirming the financing facilities, repayment terms and financial covenants to supporting documentation and evaluating the Directors' assessment of covenant compliance throughout the going concern assessment period to 30 June 2025;
- considering the impact of inflation including energy costs, other macroeconomic matters and climate change;
- reviewing post-year-end cash position to assess any potential deterioration in cash balances;
- challenging the Directors as to matters outside of the going concern assessment period, including the potential long-term impact of the dispute with Caliplay; and
- considering the adequacy of the disclosures relating to going concern included within the Annual Report against the requirements of the accounting standards, the impact of the dispute with Caliplay and the consistency of the disclosure against the forecasts and going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Independent auditor's report continued

To the members of Playtech plc

Conclusions relating to going concern continued

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	The coverage achieved from the full scope audits which included significant and non-significant components was 92% (2022: 94%) of Group revenue and 90% (2022: 84%) of Group total assets. Further specific audit procedures were undertaken on non-significant components to ensure sufficient audit coverage.		
Key audit matters		**2023**	2022
	Revenue recognition	✓	✓
	Caliplay legal dispute	✓	×
	Valuation and disclosure of the Playtech M&A Call Option relating to Caliplay	✓	✓
Group Materiality	€13.0 million (2022: €12.0 million) based on 3% (2022: 3%) of adjusted EBITDA.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In determining the scope of our audit we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole. We tailored the extent of the work to be performed at each component, either by us, as the Group audit team, or component auditors within the BDO network based on our assessment of the risk of material misstatement at each component.

Full scope audit procedures were performed on eight components; five of these were considered significant with the other three being undertaken to ensure appropriate audit coverage. Four of the significant components were audited by the Group audit team with the remaining significant component being audited by BDO Italy. The three other full scope audits were undertaken by the Group audit team, BDO Sweden and BDO Austria.

In respect of the remaining non-significant components, component auditors within the BDO network or the Group audit team performed review procedures or specific audit procedures on certain balances based on their relative size, risks in the business and our knowledge of those entities.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

Our involvement with the component auditor of the significant component included attending key meetings as appropriate, directing the scope and approach of the audit and performing a detailed review of the audit files. The review of the audit files was undertaken with the support of our IT specialists. For the component auditors of the non-significant components we provided group instructions, directed the scope of their work and reviewed reporting returned to us.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- enquiries and challenge of management to understand the actions it has taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report;
- our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- review of the minutes of Board and Sustainability Committee meetings and other papers related to climate change and performing a risk assessment as to how the impact of the Group's commitments may affect the financial statements and our audit.

We also assessed the consistency of management's disclosures included as other information on page 150 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any key audit matters materially impacted by climate-related risks and related commitments.

An overview of the scope of our audit continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th colspan="2">Key audit matter (KAM)</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr>
<td>Revenue recognition
The Group's revenue streams and the related accounting policies applied during the period are detailed in Note 6 to the financial statements.</td>
<td>Revenue recognition was considered a KAM due to the complexity of the IT systems and the significant level of audit focus required.

Our KAMs in respect of revenue consist of the following:

Playtech B2B gaming revenue
There is a risk over accuracy and existence of revenue due to the nature of the contracts in place, the complexity of the IT systems and the risk of manipulation or error in the underlying source data.

Snaitech B2C streams
There is a risk in respect of accuracy and existence of revenue due to the complexity of the IT systems and manipulation or error in the underlying source data.</td>
<td>We developed an understanding of the key revenue processes from inception to recognition in the financial statements and assessed the design and implementation of the controls over the Group's revenue cycles. This included undertaking test bets as part of our risk assessment procedures and tracing the underlying transactions to source data.

In completing this work, we utilised our own IT specialists to assess the IT controls in respect of the key operating systems supporting the above transaction flows. Our IT specialists also reviewed the work completed by the IT specialists from the BDO Italy component team.

Our testing approach for revenue was tailored for the different revenue streams and entities across the Group.

B2B gaming revenue
We tested B2B revenue recognised with the support of IT specialists by completing the following:
• carried out end-to-end walkthroughs to understand the IT system, processes and controls in place;
• tested the operating effectiveness of certain controls within the Group's main B2B operating system (IMS);
• performed a full reconciliation of IMS to the billing database (used by management to calculate revenue for invoicing);
• for a sample of customers and invoices, independently recalculated revenue based on the underlying source data to the contractual terms in place and agreed the invoices issued to cash receipt;
• tested the adjustments to revenue made in respect of variable consideration where either customer incentives or other contractual variations or potential variations existed;
• tested a sample of credit notes both during the year and post year end; and
• for a sample of customers, analysed revenue for the year on a monthly basis to identify exceptions and, where considered necessary, undertook further testing including assessing the underlying source data.

B2C revenue in respect of Snaitech
We tested B2C revenue recognised with the support of IT specialists by completing the following:
• carried out end-to-end walkthroughs to understand the IT system, processes and controls in place for each of the significant revenue sub-streams, being gaming machines, online gaming, online betting and retail betting;
• tested the operating effectiveness of IT general controls, including user access controls, change management and data processing management;
• tested the operating effectiveness of key revenue controls, including controls around data transfers between systems, controls ensuring the pre-approval of all bets by the government ADM system, the monthly reconciliation between SAP and ADM, and the accurate addition of all new revenue contracts onto SAP;
• for online and retail betting, performed a reconciliation of total bets in the year from the operating platform to the government ADM reports; and
• for a sample of transactions for all revenue streams, agreed the transactions to the underlying transactional system and through to cash receipts.

Key observation
Based on the work performed we did not identify any evidence of material manipulation or misstatements in the data and consider that revenue has been appropriately recognised.</td>
</tr>
</table>

Independent auditor's report continued

To the members of Playtech plc

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter (KAM)		How the scope of our audit addressed the key audit matter

Caliplay legal dispute

The Directors' disclosure of the judgements and estimates surrounding the risks are detailed in Note 7 to the financial statements with accounting policies in respect of the revenue streams detailed in Note 6.

The legal dispute gives rise to a number of risks principally in respect of revenue recognition and recovery of associated receivables from Caliplay as well as the associated disclosures.

There are also risks that may arise dependent on the outcome of the dispute such as impairment of goodwill, impairment of Parent Company investments and carrying value of deferred tax assets.

Our KAM relating to the additional risks in revenue recognition arising from the Caliplay legal dispute is in respect of the following revenue streams:

B2B licence fee ("software fees")

Due to the dispute with Caliplay (as detailed in Note 7 to the financial statements), €32.3 million of invoices issued in the period from August to December 2023 in respect of the above services remained unpaid at the date of approval of the financial statements.

Based on the claims made by Caliplay as to the reason for non-payment of invoices, there is a risk over whether performance obligations have been met and hence the existence and accuracy of revenue recognised.

Additional B2B services fee

The dispute with Caliplay has also resulted in the non-payment of the additional B2B services fee invoices issued to Caliplay for the period July to December 2023, which totalled €54.2 million.

The non-payment has occurred simultaneously with the invoice dispute described above. It is related to Caliplay notifying the Group on 5 January 2024 of a significant provision that Caliplay alleges was made in its own financial statements on 3 January 2024, which reduces the Caliplay profit for the year. Due to the size of the provision notified to Playtech, Caliplay claims that the additional B2B services fee in the period July to September 2023 is €Nil and it is anticipated that it will further claim that the additional B2B services fee in the period October to December 2023 is also less than the amounts Playtech has invoiced. There is therefore a risk over the existence and accuracy of revenue recognised.

Recovery of receivable

With the support of its legal experts, the Group has reviewed Caliplay's response to Playtech's legal claim for payment in relation to all the invoices referred to above. Based on the information received, the Group does not consider Caliplay's claim or provision to have merit and as such recognised the receivable of €86.5 million and associated revenue in full in the year ended and as of 31 December 2023. There is therefore a risk in respect of the carrying value of the receivable.

The Directors have also made a judgement that trading will continue with Caliplay until the contract expires in 2034. However, should this change such that future cash flows generated from Caliplay are materially impacted this gives rise to potential risks in respect of impairment of goodwill (Sports B2B and Services CGUs), impairment of Parent Company investments and reduction in carrying value of deferred tax assets.

In respect of the overall legal dispute with Caliplay, there is a further risk that the disclosures (including any potential financial statement impact) in respect of the estimates and judgements are not complete and/ or accurate.

Our testing approach consisted of the following:

Software fees

- In respect of the invoices issued in the period August to December 2023, we worked with our IT specialists to independently recalculate the invoice value. This was based on the underlying source data extracted from IMS and we assessed this against the revenue recognised.
- With the support of external legal experts directly engaged by us, we reviewed the legal and contractual merits of the defence filed by Caliplay in respect of non-delivery of the performance obligations.
- In addition we reviewed the privileged legal advice received by Playtech from its own legal experts (which was released to us confidentially on a limited waiver basis) to assess the claims made by Caliplay.
- We assessed whether any contradictory evidence or legal position, including alternative case law, was apparent which was sufficiently compelling that it could impact the judgement reached by the Group.
- We scrutinised management's accounting assessment under IFRS 15 in respect of recognition of revenue and challenged if the claims made by Caliplay meant that performance obligations had not been met and that Playtech was not entitled to the revenue.

Additional B2B services fee

- We agreed the invoices issued in the period July to December 2023 to profit information and monthly statements provided to Playtech by Caliplay. In respect of the month of December 2023 we agreed the adjustment made by the Group to remove the impact of the provision recorded by Caliplay.
- With the support of our external legal experts, we reviewed the contractual matters in respect of the defence filed by Caliplay to Playtech's legal claim, as well as Playtech's own legal advice on this matter, to assess Playtech's position that the claim made by Caliplay as the basis for non-payment had no merit.
- With the support of our relevant expert from BDO Mexico, we reviewed management's and management's expert's assessment of the merits of the significant provision recorded by Caliplay.

Recovery of receivable

In consideration of the recognition of the receivable, with the support of our experts we also considered the recoverability of the receivable by reference to the contractual terms, the ability of Caliplay to make the payment and the enforceability of judgements made in the UK against a Mexican business.

In reaching its judgement that the receivable will be recovered in full, management was supported by a number of third-party experts. We assessed the objectivity, expertise and qualifications of the experts as well as reading their report and advice.

Disclosures

With the support of our technical specialists and based on our knowledge of the facts and circumstances, we reviewed the disclosures made in Note 7 to ensure they were sufficiently complete and accurate.

Key observations

Based on the contracts and legal arguments as at the date of approval of these financial statements, and having taken legal advice, Playtech believes the receivable and associated revenue should be recognised in full as it considers Caliplay's position to be without merit.

Our assessment is that management's position is supportable having considered all the evidence presented to us, having considered alternative arguments, having challenged management on the basis for its judgements and having been assisted by experts from BDO Mexico and by external legal advice engaged specifically for the purposes of our audit and who reported directly to us.

We draw your attention to Note 7 in the financial statements which sets out the key judgements and estimates and, where appropriate, their financial impact. As well as impacts on judgements in the current period, the disclosures set out further risks in respect of future periods if Playtech is not successful in its legal claim and future trading is impacted. This includes areas such as goodwill impairment, Parent Company investment impairment and carrying value of deferred tax assets.

We assessed the disclosures given in Note 7 and consider that these sufficiently reflect the current position with respect to the Caliplay legal dispute and the impact on the financial statements and business.

An overview of the scope of our audit continued

Key audit matters continued

Key audit matter (KAM)		How the scope of our audit addressed the key audit matter
Valuation and disclosure of the Playtech M&A Call Option over Caliplay Disclosure of the judgements and estimates surrounding the risks are detailed in Notes 7 and 21 to the financial statements with accounting policies detailed in Note 6.	This was considered a KAM due to the level of audit team effort, and the degree of complexity, judgement and estimation required in the valuation as well as associated disclosures. The risk was compounded in the current year by the existence of the ongoing dispute between the Group and Caliplay. The valuation requires judgement in terms of the inputs and the methodology applied to calculate the fair value of €730.2 million (2022: €524.0 million). With the support of management's expert, the Group determined the fair value based on a discounted cash flow (DCF) approach. This approach is consistent with the approach used as of 31 December 2022. The DCF approach includes risk due to the estimates and judgements required, with these further compounded in the current year due to the ongoing litigation between the Group and Caliplay. Part of the ongoing dispute relates to whether Caliplay still holds an option which permits it to redeem the additional B2B services fee element of the agreement, upon which the Group has sought a declaration from the English Court. The redemption option is stated as being exercisable for a period of 45 days following the approval of the audited accounts of Caliplay for the year ended 31 December 2021 (the "2021 Option"). The Group believes the option has expired and whilst Caliplay has not sought to exercise the option to date, Caliplay has made it clear that it considers the option has not yet expired. Should it be declared by the English Court that Caliplay still has its redemption option and Caliplay then exercises said option, this would cancel the Playtech M&A Call Option held by the Group. In arriving at the fair value of the equity Call Option derivative, the Group has made a judgement that the option has expired. The English Court may determine that the option is exercisable and Caliplay may then choose to exercise it. In this situation, the amount payable by Caliplay to the Group upon exercise would either be agreed between the parties or, failing that, would be determined by an independent investment bank valuing the Group's current entitlement to receive the additional B2B services fee until 31 December 2034. There is a risk therefore that should the option be exercisable this may materially affect the fair value of the equity Call Option held by the Group. The legal dispute with Caliplay has developed through 2023 with the additional dispute concerning the software fees and the additional B2B services fee detailed above. This additional dispute gives rise to further risks in respect of the cash flows used to determine the fair value of the Playtech M&A Call Option together with the assumptions applied to those cash flows, principally those in respect of discount rate, exit date and method of exit. Due to the ongoing dispute, the Group has also changed its assessment of the probability of exercise in respect of a further redemption option held by Caliplay having previously considered the probability of this being exercised as nil. This redemption option states that from 1 January 2025 (the "2025 Option"), if there is a change of control of Caliplay or any member of the Caliente group which holds a regulatory permit under which Caliplay operates, then each of the Group and Caliente shall be entitled (but not obligated), within 60 days of the time of such change of control, to require that the Caliente group redeems the Group's additional B2B services fee or (if the Playtech Call Option had been exercised at that time) acquires Playtech's 49% stake in Caliplay. If such change of control were to take place and the right to redeem or acquire were to occur, then this would extinguish the Playtech Call Option (to the extent not exercised prior thereto) and the Playtech M&A Call Option. The exercise of this option would require a payment by Caliplay to the Group, calculated by reference to the services fee to the period to 31 December 2034 as per the 2021 redemption option detailed above. Finally, during the year there was a reduction of the percentage right to Caliplay shares that a service provider of the Group which provided services to Caliplay on behalf of the Group held under its services agreement. This was partly redeemed through a €41.3 million redemption payment being made by the Group. As the value of this right was previously deducted from the fair value of the Playtech M&A Call Option, as the right has reduced, this therefore forms part of the uplift in the period. There is a risk that the accounting for the redemption payment is not appropriate.	With the support of our valuation, IT and financial modelling experts, we challenged the key assumptions used by the Group in the discounted cash flow model. To do this we: • challenged the cash flows used and key assumptions underlying the cash flows, assessing them by reference to historical performance and where possible by reference to future growth rates compared to third-party market data; • recalculated the discount rates and challenged as to whether appropriate risk premiums had been applied both in respect of the growth forecasts and also the ongoing dispute; • challenged the probabilities applied to the both the option exit route and the timing of exercise, including a scenario in which the exit date extended beyond the scenarios modelled by management; • assessed the discounts applied to the valuation for potential restrictions on the sale of the shares post exercise; • assessed the accounting approach to the reduction of the rights that a service provider to the Group held under its service agreement to the Caliplay shares; • assessed the sensitivity analysis performed to changes in key assumptions (such as discount rate, EBITDA margin, exit multiple and exit date); • considered any additional sensitivities required based on the audit team's assessment of the key inputs and judgements; • in respect of the dispute with Caliplay relating to the 2021 Option, assessed the Group's judgement and associated disclosures over the impact of the dispute in respect of the valuation of the Playtech M&A Call Option. This included reviewing third-party legal advice received by the Group as well as our own review of the contractual terms; • challenged the impact and probability of exercise of the 2025 Option; • confirmed to contractual terms the expected share holdings of the Group on exercise of the options; and • checked the underlying models for mathematical accuracy. In respect of the valuation of the options, management was supported by a third-party expert. We assessed the objectivity, expertise and qualifications of the expert. **Key observations** Based on the work performed we consider that the fair value is reasonable, the sensitivities demonstrate the susceptibility of the fair value to change in assumptions and the disclosures meet with the requirements of the accounting framework.

Independent auditor's report continued

To the members of Playtech plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2023	2022	**2023**	2022
Materiality	**€13.0 million**	€12.0 million	**€6.5 million**	€6.0 million
Basis for determining materiality	**3% of adjusted EBITDA**	3% of adjusted EBITDA	**50% of Group materiality**	50% of Group materiality
Rationale for the benchmark applied	**Adjusted EBITDA is the key metric used by analysts and the Directors in assessing the performance of the business and in banking covenants and is the metric expected to influence economic decisions of users of the financial statements.**	Adjusted EBITDA is the key metric used by analysts and the Directors in assessing the performance of the business and in banking covenants and is the metric expected to influence economic decisions of users of the financial statements.	**2% of total assets capped at 50% of Group materiality. This was calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk.**	2% of total assets capped at 50% of Group materiality. This was calculated as a percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk.
Performance materiality	**€8.5 million**	€7.8 million	**€4.2 million**	€3.9 million
Basis for determining performance materiality	**65% of Group materiality**	65% of Group materiality	**65% of Parent Company materiality**	65% of Parent Company materiality
Rationale for the percentage applied for performance materiality	**This was set by the audit team in reference to the level of adjustments identified in the prior year, the level of sampling work required and the number of components.**	This was set by the audit team in reference to the level of adjustments identified in the prior year, the level of sampling work required and the number of components.	**This was set by the audit team in reference to the level of adjustments identified in the prior year.**	This was set by the audit team in reference to the level of adjustments identified in the prior year.

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, based on a percentage of between 19% and 51% (2022: 25% and 60%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from €2.5 million to €6.6 million (2022: €3 million to €7 million). In the audit of each component, we further applied performance materiality levels of 65% (2022: 65%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to it all individual audit differences in excess of €260k (2022: €240k). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Directors' Remuneration Report

The Parent Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the UK Companies Act 2006. The Directors have requested that we audit the part of the Directors' Remuneration Report specified by the Companies Act 2006 to be audited as if the Company were a UK registered listed company. In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the UK Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	• The Directors' statement with regard to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 147. • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 101.
Other Code provisions	• The Directors' statement on fair, balanced and understandable set out on page 146. • The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 101. • The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 95 to 100. • The section describing the work of the Audit Committee set out on pages 124 to 128.

Responsibilities of Directors

As explained more fully in the Director's report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report continued

To the members of Playtech plc

Auditor's responsibilities for the audit of the financial statements continued

Extent to which the audit was capable of detecting non-compliance with laws and regulations

We design procedures in line with our responsibilities, outlined above, to detect non-compliance with laws and regulations. We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, through discussion with management and our knowledge of the industry.

We focused on significant laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Isle of Man Companies Act 2006, the UK Listing Rules, certain gaming licence requirements, UK adopted International Accounting Standards and tax legislation.

Our procedures in respect of the above included:

- enquiries with the finance team, in-house legal counsel, the Head of Compliance and the Group Tax Director;
- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of internal audit reports;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures;
- use of own knowledge in respect of regulatory changes in the industry;
- involvement of tax and financial crime specialists in the audit; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

Extent to which the audit was capable of detecting irregularities, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management, the Audit Committee and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud;
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team including involvement of our forensic specialists as to how and where fraud might occur in the financial statements;
- review of internal audit and whistleblowing reports;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue recognition. Our procedures in respect of assessing fraud risk included:

- testing a sample of journal entries throughout the year split between a random sample of journals and those meeting defined fraud risk criteria, by agreeing to supporting documentation;
- testing a sample of journal entries posted to revenue, including those with unusual account combinations;
- identifying and assessing any journals posted by unexpected users or users with privileged IT access rights;
- reviewing any unusual or related party transactions that do not appear to be within the ordinary course of business;
- detailed substantive testing on revenue (refer to the KAMs section for more detail);
- challenging assumptions and judgements made by management in its significant accounting estimates and judgements, including the impact of the Caliplay matter described in the KAMs section above, impairment testing, the measurement of provisions, valuation of derivative instruments, assessment of expected credit losses and recognition of deferred tax assets; and
- communicating relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams which were deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with our engagement letter dated 9 October 2023 and section 80C of the Isle of Man Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Oliver Chinneck (Recognised Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
26 March 2024
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 Actual €'m	2023 Adjusted €'m[1]	2022 Actual €'m[2]	2022 Adjusted €'m[1,2]
Continuing operations					
Revenue	10	**1,706.7**	1,706.7	1,601.8	1,601.8
Distribution costs before depreciation and amortisation		**(1,147.1)**	(1,145.1)	(1,077.5)	(1,073.5)
Administrative expenses before depreciation and amortisation		**(146.7)**	(124.3)	(147.3)	(118.2)
Impairment of financial assets		**(6.4)**	(5.0)	(14.7)	(14.7)
EBITDA	11	**406.5**	432.3	362.3	395.4
Depreciation and amortisation		**(194.4)**	(151.8)	(170.1)	(128.1)
Impairment of property, plant and equipment and intangible assets	13	**(89.8)**	—	(38.5)	—
Profit on disposal of property, plant and equipment and intangible assets		**1.4**	1.4	—	—
Finance income	14A	**12.3**	12.3	11.6	11.6
Finance costs	14B	**(46.2)**	(42.9)	(62.8)	(59.7)
Share of loss from associates	21A	**(0.8)**	(0.8)	(3.8)	(3.8)
Unrealised fair value changes of equity investments	21B	**(6.6)**	—	(0.3)	—
Unrealised fair value changes of derivative financial assets	21C	**153.4**	—	6.0	—
Loss on disposal of subsidiary	21A	**—**	—	(8.8)	—
Profit before taxation	11	**235.8**	250.5	95.6	215.4
Income tax expense	11, 15	**(130.7)**	(93.7)	(55.0)	(54.9)
Profit from continuing operations	11	**105.1**	156.8	40.6	160.5
Profit from discontinued operations, net of tax	9	**—**	—	47.0	41.2
Profit for the year – total		**105.1**	156.8	87.6	201.7
Other comprehensive loss:					
Items that are or may be classified subsequently to profit or loss:					
Exchange loss arising on translation of foreign operations		**(7.7)**	(7.7)	(0.2)	(0.2)
Recycling of foreign exchange loss on disposal of foreign discontinued operations		**—**	—	23.2	23.2
Items that will not be classified to profit or loss:					
Gain on remeasurement of employee termination indemnities		**—**	—	0.9	0.9
Other comprehensive (loss)/income for the year		**(7.7)**	(7.7)	23.9	23.9
Total comprehensive income for the year		**97.4**	149.1	111.5	225.6
Profit for the year attributable to the owners of the Company		**105.1**	156.8	87.6	201.7
Total comprehensive income attributable to the owners of the Company		**97.4**	149.1	111.5	225.6
Earnings per share attributable to the ordinary equity holders of the Company					
Profit or loss – total					
Basic (cents)	16	**34.7**	51.7	29.2	67.2
Diluted (cents)	16	**33.7**	50.2	28.1	64.7
Profit or loss from continuing operations					
Basic (cents)	16	**34.7**	51.7	13.5	53.5
Diluted (cents)	16	**33.7**	50.2	13.0	51.5

1 Adjusted numbers relate to certain non-cash and one-off items. The Board of Directors believes that the adjusted results more closely represent the consistent trading performance of the business. A full reconciliation between the actual and adjusted results is provided in Note 11.

2 Comparative information has been re-stated due to change in accounting policy. Further details are provided in Note 4C.

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Additional paid in capital €'m	Employee termination indemnities €'m	Retained earnings €'m	Employee Benefit Trust €'m	Put/call options reserve €'m	Foreign exchange reserve €'m	Total attributable to equity holders of Company €'m	Non-controlling interests €'m	Total equity €'m
Balance at 1 January 2022	**606.0**	**(0.5)**	**1,025.0**	**(23.2)**	**(3.7)**	**(22.7)**	**1,580.9**	**0.3**	**1,581.2**
Adjustment on initial recognition of IAS 12 amendment (Note 4A)	—	—	1.5	—	—	—	1.5	—	1.5
Adjusted balance at 1 January 2022	**606.0**	**(0.5)**	**1,026.5**	**(23.2)**	**(3.7)**	**(22.7)**	**1,582.4**	**0.3**	**1,582.7**
Total comprehensive income for the year									
Profit for the year	—	—	87.6	—	—	—	87.6	—	87.6
Other comprehensive income for the year	—	0.9	—	—	—	23.0	23.9	—	23.9
Total comprehensive income for the year	**—**	**0.9**	**87.6**	**—**	**—**	**23.0**	**111.5**	**—**	**111.5**
Transactions with the owners of the Company									
Contributions and distributions									
Exercise of options	—	—	(6.0)	6.0	—	—	—	—	—
Equity-settled share-based payment charge	—	—	8.3	—	—	—	8.3	—	8.3
Total contributions and distributions	**—**	**—**	**2.3**	**6.0**	**—**	**—**	**8.3**	**—**	**8.3**
Change in ownership interests									
Acquisition of non-controlling interest without change in control	—	—	(3.4)	—	3.7	—	0.3	(0.3)	—
Total changes in ownership interests	**—**	**—**	**(3.4)**	**—**	**3.7**	**—**	**0.3**	**(0.3)**	**—**
Total transactions with owners of the Company	**—**	**—**	**(1.1)**	**6.0**	**3.7**	**—**	**8.6**	**(0.3)**	**8.3**
Balance at 31 December 2022/1 January 2023	**606.0**	**0.4**	**1,113.0**	**(17.2)**	**—**	**0.3**	**1,702.5**	**—**	**1,702.5**
Total comprehensive income for the year									
Profit for the year	—	—	105.1	—	—	—	105.1	—	105.1
Other comprehensive loss for the year	—	—	—	—	—	(7.7)	(7.7)	—	(7.7)
Total comprehensive income for the year	**—**	**—**	**105.1**	**—**	**—**	**(7.7)**	**97.4**	**—**	**97.4**
Transactions with the owners of the Company									
Contributions and distributions									
Exercise of options	—	—	(11.9)	11.9	—	—	—	—	—
Equity-settled share-based payment charge	—	—	6.3	—	—	—	6.3	—	6.3
Transfer from treasury shares to Employee Benefit Trust	5.8	—	6.7	(12.5)	—	—	—	—	—
Total contributions and distributions	**5.8**	**—**	**1.1**	**(0.6)**	**—**	**—**	**6.3**	**—**	**6.3**
Total transactions with owners of the Company	**5.8**	**—**	**1.1**	**(0.6)**	**—**	**—**	**6.3**	**—**	**6.3**
Balance at 31 December 2023	**611.8**	**0.4**	**1,219.2**	**(17.8)**	**—**	**(7.4)**	**1,806.2**	**—**	**1,806.2**

Consolidated balance sheet

As at 31 December 2023

	Note	2023 €'m	2022 €'m[1]	2021 €'m[1]
ASSETS				
Property, plant and equipment	18	**350.2**	341.4	329.7
Right of use assets	19	**71.0**	71.6	73.8
Intangible assets	20	**881.2**	980.9	1,046.1
Investments in associates	21A	**51.5**	36.6	5.2
Other investments	21B	**92.8**	9.2	8.1
Derivative financial assets	21C	**827.8**	636.4	622.2
Trade receivables	23	**1.9**	1.1	6.6
Deferred tax asset	33	**62.5**	114.0	104.4
Other non-current assets	22	**137.0**	109.6	104.4
Non-current assets		**2,475.9**	2,300.8	2,300.5
Trade receivables	23	**207.1**	163.9	178.5
Other receivables	24	**100.5**	107.6	87.1
Inventories		**6.8**	5.5	4.9
Cash and cash equivalents	25	**516.2**	426.5	575.4
		830.6	703.5	845.9
Assets classified as held for sale	26	**19.3**	19.6	507.4
Current assets		**849.9**	723.1	1,353.3
TOTAL ASSETS		**3,325.8**	3,023.9	3,653.8
EQUITY				
Additional paid in capital		**611.8**	606.0	606.0
Employee termination indemnities		**0.4**	0.4	(0.5)
Employee Benefit Trust		**(17.8)**	(17.2)	(23.2)
Put/call options reserve		**—**	—	(3.7)
Foreign exchange reserve		**(7.4)**	0.3	(22.7)
Retained earnings		**1,219.2**	1,113.0	1,026.5
Equity attributable to equity holders of the Company		**1,806.2**	1,702.5	1,582.4
Non-controlling interests		**—**	—	0.3
TOTAL EQUITY	27	**1,806.2**	1,702.5	1,582.7
LIABILITIES				
Loans and borrowings	28	**—**	—	167.1
Bonds	29	**646.1**	348.0	875.0
Lease liability	19	**61.9**	54.0	69.8
Deferred revenues		**1.8**	1.0	2.9
Deferred tax liability	33	**161.6**	124.8	88.9
Contingent consideration	31	**5.8**	2.3	6.0
Provisions for risks and charges	30	**8.9**	10.0	13.5
Other non-current liabilities	34	**34.8**	24.9	12.8
Non-current liabilities		**920.9**	565.0	1,236.0

Consolidated balance sheet continued

As at 31 December 2023

	Note	2023 €'m	2022 €'m[1]	2021 €'m[1]
LIABILITIES continued				
Bonds	29	**—**	199.6	—
Trade payables	32	**66.9**	61.2	41.3
Lease liability	19	**24.9**	31.8	20.3
Progressive operators' jackpots and security deposits	25	**111.0**	114.3	110.7
Client funds	25	**41.9**	39.8	30.4
Income tax payable		**14.0**	17.3	2.6
Gaming and other taxes payable	35	**116.1**	112.8	105.4
Deferred revenues		**4.4**	5.0	5.2
Contingent consideration	31	**0.4**	0.6	5.0
Provisions for risks and charges	30	**0.6**	3.9	3.2
Other payables	34	**217.5**	169.1	166.2
		597.7	755.4	490.3
Liabilities directly associated with assets classified as held for sale	26	**1.0**	1.0	344.8
Current liabilities		**598.7**	756.4	835.1
TOTAL LIABILITIES		**1,519.6**	1,321.4	2,071.1
TOTAL EQUITY AND LIABILITIES		**3,325.8**	3,023.9	3,653.8

The consolidated financial statements were approved by the Board and authorised for issue on 26 March 2024.

Mor Weizer
Chief Executive Officer

Chris McGinnis
Chief Financial Officer

1 Comparative information has been re-stated due to change in accounting policy. Further details are provided in Note 4A.

Consolidated statement of cash flows
For the year ended 31 December 2023

	Note	2023 €'m	2022 €'m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		105.1	87.6
Adjustments to reconcile net income to net cash provided by operating activities (see below)		307.7	337.1
Net taxes paid		(45.9)	(13.8)
Net cash from operating activities		366.9	410.9
CASH FLOWS FROM INVESTING ACTIVITIES			
Net loans granted/repaid	22	(23.4)	(30.4)
Dividend income		1.5	—
Acquisition of subsidiaries/assets under business combinations, net of cash acquired		(3.6)	(2.9)
Acquisition of property, plant and equipment		(57.6)	(54.0)
Acquisition of intangible assets		(35.7)	(10.1)
Capitalised development costs		(56.7)	(61.3)
Acquisition of investment in associates	21A	(9.2)	(30.2)
Acquisition of investments at fair value through profit or loss	21B	(94.1)	—
Subcontractor option redemption	21C	(41.3)	—
Proceeds from the sale of property, plant and equipment and intangible assets		2.5	0.8
Disposal of Financial segment, net of cash disposed		—	(169.8)
Disposal of subsidiary, net of cash disposed		—	(0.4)
Net cash used in investing activities		(317.6)	(358.3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid on bonds and loans and borrowings		(31.3)	(36.7)
Repayment of loans and borrowings		(77.4)	(166.1)
Proceeds from loans and borrowings		79.9	—
Proceeds from the issuance of 2023 Bond, net of issue costs	29	297.2	—
Repayment of 2018 Bonds	29	(200.0)	(330.0)
Payment of contingent consideration and redemption liability (see below)		(0.2)	(5.9)
Principal paid on lease liability		(23.1)	(22.5)
Interest paid on lease liability		(5.2)	(5.7)
Net cash from/(used in) financing activities		39.9	(566.9)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		89.2	(514.3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		426.9	942.1
Exchange gain/(loss) on cash and cash equivalents		0.5	(0.9)
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	516.6	426.9

Consolidated statement of cash flows continued

For the year ended 31 December 2023

	Note	2023 €'m	2022 €'m
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED FROM OPERATING ACTIVITIES			
Income and expenses not affecting operating cash flows:			
Depreciation on property, plant and equipment	18	**46.5**	41.5
Amortisation of intangible assets	20	**126.7**	109.8
Amortisation of right of use assets	19	**23.3**	21.5
Capitalisation of amortisation of right of use assets		**(1.7)**	(1.9)
Impact on early termination of lease contracts	19	**(0.4)**	(0.7)
Share of loss from associates	21A	**0.8**	3.8
Impairment and expected credit losses on loans receivable	22	**2.4**	1.6
Impairment of investment	21B	**1.3**	—
Impairment of other receivables		**2.2**	—
Reversal of impairment of property, plant and equipment	18	**—**	(0.2)
Impairment of intangible assets	20	**89.8**	38.7
Profit on disposal of Financial segment	9	**—**	(15.1)
Loss on disposal of subsidiary	21A	**—**	8.8
Changes in fair value of equity investments	21B	**6.6**	0.3
Changes in fair value of derivative financial assets	21C	**(153.4)**	(6.0)
Fair value loss on convertible loans		**—**	3.0
Interest on bonds and loans and borrowings		**30.9**	36.2
Interest on lease liability		**5.2**	5.7
Interest income on loans receivable	22	**(1.9)**	(1.3)
Income tax expense		**130.7**	58.5
Changes in equity-settled share-based payment		**6.3**	8.3
Movement in contingent consideration and redemption liability		**3.3**	(4.3)
Expected credit loss on cash and cash equivalents		**—**	(0.2)
Unrealised exchange gain		**(2.9)**	(4.4)
(Profit)/loss on disposal of property, plant and equipment and intangible assets		**(1.4)**	0.2
Changes in operating assets and liabilities:			
Change in trade receivables		**(47.9)**	13.0
Change in other receivables		**(0.4)**	3.5
Change in inventories		**(1.3)**	(0.6)
Change in trade payables		**4.5**	20.4
Change in progressive operators, jackpots and security deposits		**(3.3)**	3.6
Change in client funds		**2.0**	(15.3)
Change in other payables		**44.1**	13.6
Change in provisions for risks and charges		**(4.6)**	(2.8)
Change in deferred revenues		**0.3**	(2.1)
		307.7	337.1

Payment of contingent consideration and redemption liabilities on previous acquisitions

	2023 €'m	2022 €'m
A. Acquisition of Eyecon Limited	**—**	3.6
B. Acquisition of non-controlling interest of Statscore SP Z.O.O.	**—**	1.6
C. Other acquisitions	**0.2**	0.7
	0.2	5.9

Notes to the financial statements

Note 1 – General

Playtech plc (the "Company") is an Isle of Man company. The registered office is located at St George's Court, Upper Church Street, Douglas, Isle of Man IM1 1EE. Playtech plc is managed and controlled in the UK and, as a result, is UK tax resident.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

Note 2 – Basis of preparation

These consolidated financial statements have been prepared in accordance with the UK adopted International Accounting Standards (IAS). They were authorised for issue by the Company's Board of Directors on 26 March 2024.

Details of the Group's accounting policies are included in Notes 5 and 6.

Going concern basis

In adopting the going concern basis in the preparation of the financial statements, the Directors have considered the current trading performance, financial position and liquidity of the Group, the principal and emerging risks and uncertainties together with scenario planning and reverse stress tests. The Directors have assessed going concern over a 15-month period to 30 June 2025 which aligns with the six-monthly covenant measurement period.

	31 December 2023 €'m	31 December 2022 €'m
Cash and cash equivalents	516.2	426.5
Cash held on behalf of clients, progressive jackpots and security deposits	(152.9)	(154.1)
Adjusted gross cash and cash equivalents	**363.3**	272.4

The increase in adjusted gross cash and cash equivalents from €272.4 million at 31 December 2022 to €363.3 million at 31 December 2023 is mainly the result of the new €300.0 million bond issued and continued strong performance of the Group throughout the year, partially offset by the repayment of the €200.0 million 2018 Bond, the acquisition of a small minority interest in Hard Rock (Note 21B) in March 2023 and the amounts currently in dispute due from Caliplay (Note 7).

The Directors have reviewed liquidity and covenant forecasts for the Group and have also considered sensitivities in respect of potential downside scenarios, reverse stress tests and the mitigating actions available to management.

The modelling of downside stress test scenarios assessed if there was a significant risk to the Group's liquidity and covenant compliance position. This includes risks such as not realising budget/forecasts across certain markets and any potential implications of changes in tax and other regulations, as well as the remote probability that no further cash is received from Caliplay in respect of the dispute.

In June 2023, the Group successfully issued new €300.0 million senior secured notes at a rate of 5.875% repayable in June 2028 which were partially used to repay in full the balance of the €200.0 million bond (initial €530.0 million of senior secured notes bond) issued in October 2018.

The Group's principal financing arrangements as at 31 December 2023 include a revolving credit facility (RCF) up to €277.0 million (which as at 31 December 2023 remains fully undrawn), the 2019 Bond amounting to €350.0 million and the new 2023 Bond amounting to €300.0 million, which are repayable March 2026 and June 2028 respectively. The RCF, which was restructured in October 2022, has been reduced from €317.0 million to €277.0 million and is available until October 2025, with the Group having the option to extend by 12 months.

The RCF is subject to certain financial covenants which are tested every six months on a rolling 12-month basis, as set out in Notes 28 and 29. As at 31 December 2023, the Group comfortably met its covenants, which were as follows:

- Leverage: Net Debt/Adjusted EBITDA to be less than 3.5:1 for the 12 months ended 31 December 2023 (2022: less than 3.5:1).
- Interest cover: Adjusted EBITDA/Interest to be over 4:1 for the 12 months ended 31 December 2023 (2022: over 4:1).

The Bonds only have one financial covenant, being the Fixed Charge Coverage Ratio (same as the Interest cover ratio for the RCF), which should equal or be greater than 2:1.

If the Group's results and cash flows are in line with its base case projections as approved by the Board, it would not be in breach of the financial covenants for a period of no less than 15 months from approval of these financial statements (the "relevant going concern period"). This period covers the bank reporting requirements for June 2024, December 2024 and June 2025 and is the main reason why the Directors selected a 15-month period of assessment. Under the base case scenario, the Group would not need to utilise its RCF facility over the going concern period.

Stress test

The stress test assumes a worst-case scenario for the entire Group which includes additional sensitivities around Italy, the Americas and Asia, but with mitigations available (including salary and capital expenditure reductions) if needed. It also includes the remote probability that no further cash is received from Caliplay in the going concern period to 30 June 2025. The outstanding amount at 31 December 2023 is €86.5 million (Note 7), with further invoices totalling €35.8 million in relation to B2B licence fees and additional B2B services fee for January and February 2024 issued and which remain unpaid (Note 41). Under this scenario, Adjusted EBITDA would fall on average by 31% per month compared to the base case over the relevant going concern period, but the Group would still comfortably meet its covenants. From a liquidity perspective the Group still would not need to utilise the RCF.

The Group has also considered any matters outside of the going concern period such as the renewal of the Italian licences which will result in a material cash outflow. This is currently expected to fall outside of the going concern period; however, should payment be required in the going concern period or shortly after, this does not give rise to any concerns over liquidity or covenant compliance.

Notes to the financial statements continued

Note 2 – Basis of preparation continued

Going concern basis continued

Reverse stress test

The reverse stress test was used to identify the reduction in Adjusted EBITDA required that could result in either a liquidity event or breach of the RCF and bond covenants.

As a result of completing this assessment, without considering further mitigating actions, management considered the likelihood of the reverse stress test scenario arising to be remote. In reaching this conclusion, management considered the following:

- current trading is performing above the base case;
- Adjusted EBITDA would have to fall by 85% in the year ending 31 December 2024 and 85% in the 12 months to June 2025, compared to the base case, to cause a breach of covenants; and
- in the event that revenues decline to this point to drive the decrease in Adjusted EBITDA, additional mitigating actions are available to management which have not been factored into the reverse stress test scenario.

As such, the Directors have a reasonable expectation that the Group will have adequate financial resources to continue in operational existence over the relevant going concern period and have therefore considered it appropriate to adopt the going concern basis of preparation in the financial statements.

Note 3 – Functional and presentation currency

These consolidated financial statements are presented in Euro, which is the Company's functional currency. The main functional currencies for subsidiaries includes Euro, United States Dollar and British Pound. All amounts have been rounded to the nearest million, unless otherwise indicated.

Note 4 – Changes in material accounting policies

A. Deferred tax related to assets and liabilities arising from a single transaction

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

Following the change to the initial recognition exemption, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right of use assets.

The table below presents the cumulative effects of the items affected by the initial application on the consolidated balance sheet as at 1 January 2022 and 31 December 2022:

	€'m
Assets	
Deferred tax asset	**1.5**
Equity	
Retained earnings	**1.5**

B. Material accounting policy information

The Group also adopted the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 6 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the new amendments.

Note 4 – Changes in material accounting policies continued

C. Reclassification of bank charges in the profit or loss

Effective 1 January 2023, the Group changed its accounting policy to recognise certain costs within distribution costs, previously recognised within finance costs. Management believes that the classification as distribution costs is more in line with the nature of the cost, being banking charges relating to players' transaction processing within the B2C business segment.

Below is a summary of the impact of the change in accounting policy for the previous period:

Year ended 31 December 2022	As previously reported €'m	Adjustments €'m	As restated €'m
Distribution costs before depreciation and amortisation	1,067.3	10.2	1,077.5
Finance costs	73.0	(10.2)	62.8

Adjusted EBITDA and reported EBITDA for the year ended 31 December 2022 decreased by €10.2 million to €395.4 million and €362.3 million respectively. There was no impact to the profit before tax.

Note 5 – Accounting standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – deferral of effective date.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount of timing of recognition of any asset, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain the rights that are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of "settlement" to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Note 6 – Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements, except if mentioned otherwise.

A. Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill arising is tested semi-annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. A contingent consideration in which the contingent payments are forfeited if employment is terminated is compensation for the post-combination services and is not included in the calculation of the consideration and recognised as employee-related costs.

Cash payments arising from settlement of contingent consideration and redemption liability are disclosed in financing activities in the consolidated statement of cash flows.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the profit or loss, where such treatment would be appropriate if that interest were disposed of.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

A. Basis of consolidation continued

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group:

- has the power over the entity;
- is exposed, or has rights, to variable return from its involvement with the entity; and
- has the ability to use its power over the entity to affect its returns.

The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Where the Group holds a currently exercisable call option, the rights arising as a result of the exercise of the call option are included in the assessment above of whether the Group has control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Investments in associates and equity call options

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. In the consolidated financial statements, the Group's investments in associates are accounted for using the equity method of accounting.

Under the equity method, the investment in an associate or a joint venture is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of the net assets of the associate. The Group's share of the results of the associate is included in the profit or loss. Losses of the associate or joint venture in excess of the Group's cost of the investment are recognised as a liability only when the Group has incurred obligations on behalf of the associate.

On acquisition of the investment, any difference between the cost of the investment and share of the associate's identifiable assets and liabilities is accounted for as follows:

- Any premium paid is capitalised and included in the carrying amount of the associate.
- Any excess of the share of the net fair value of the associate's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the share of the associate's profit or loss in the period in which the investment is acquired.

Any intangibles identified and included as part of the investment are amortised over their assumed useful economic life. Where there is objective evidence that the investment in an associate may be impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of profit or loss outside operating profit and represents profit or loss before tax. The associated tax charge is disclosed in income tax.

The Group recognises its share of any changes in the equity of the associate through the consolidated statement of changes in equity. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

The Group applies equity accounting only up to the date an investment in associate meets the criteria for classification as held for sale. From then onwards, the investment is measured at the lower of its carrying amount and fair value less costs to sell.

When potential voting rights or other derivatives containing potential voting rights exist, the Group's interest in an associate is determined solely on the basis of existing ownership interests and does not reflect the possible exercise or conversion of potential voting rights and other derivative instruments unless there is an existing ownership interest as a result of a transaction that currently gives it access to the returns associated with an ownership interest. In such circumstances, the proportion allocated to the entity is determined by taking into account the eventual exercise of those potential voting rights and other derivative instruments that currently give the entity access to the returns. When instruments containing potential voting rights in substance currently give access to the returns associated with an ownership interest in an associate or a joint venture, the instruments are not subject to IFRS 9 and equity accounting is applied. In all other cases, instruments containing potential voting rights in an associate or a joint venture are accounted for in accordance with IFRS 9.

Note 6 – Material accounting policies continued

A. Basis of consolidation continued

(iii) Investments in associates and equity call options continued

A derivative financial asset is measured under fair value per IFRS 9. In the case where there is significant influence over the investment under which Playtech holds the derivative financial asset, it should be accounted for under IAS 28 Investment in Associate. However, if the option is not currently exercisable and there is no current access to profits, the option is fair valued without applying equity accounting to the investment in associate.

Derivatives are recorded at fair value and classified as assets when their fair value is positive and as liabilities when their fair value is negative. Subsequently, derivatives are measured at fair value.

(iv) Equity investments held at fair value

All equity investments in scope of IFRS 9 are measured at fair value in the balance sheet. Fair value changes are recognised in profit or loss. Fair value is based on quoted market prices (Level 1). Where this is not possible, fair value is assessed based on alternative methods (Level 3).

(v) Transactions eliminated on consolidation

Intra-group balances and transactions are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

(ii) Foreign operations

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro using the exchange rates at the reporting date and profit or loss items are translated into Euro at the end of each month at the average exchange rate for the month which approximates the exchange rates at the date of the transactions.

The exchange differences arising on the translation for consolidation are recognised in other comprehensive income (OCI) and accumulated in the foreign exchange reserve.

When a foreign operation is disposed of in its entirety, or partially such that control, significant influence or joint control is lost, the cumulative amount in the foreign exchange reserve relating to the foreign operation is reclassified to the profit or loss as part of the gain or loss on disposal.

C. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

D. Revenue recognition

The majority of the Group's revenue is derived from selling services with revenue recognised when services have been delivered to the customer. Revenue comprises the fair value of the consideration received or receivable for the supply of services in the ordinary course of the Group's activities. Revenue is recognised when economic benefits are expected to flow to the Group. Specific criteria and performance obligations are described below for each of the Group's material revenue streams.

Type of income	Nature, timing of satisfaction of performance obligations and significant payment terms
B2B licensee fee	Licensee fee is the standard operator income of the Group which relates to licensed technology and the provision of certain services provided via various distribution channels (online, mobile or land-based interfaces). Licensee fee is based on the underlying gaming revenue earned by our licensees calculated using the contractual terms in place. Revenue is recognised when performance obligation is met which is when the gaming transaction occurs and is net of refunds, concessions and discounts provided to certain licensees. The payment terms of the B2B licensee fee are on average 30 days from the invoice date.
B2B fixed-fee income	Fixed-fee income is the standard operator income of the Group which includes revenue derived from the provision of certain services and licensed technology for which charges are based on a fixed fee and/or stepped according to the monthly usage of the service/technology. The usage measurement is typically reset on a monthly basis. The performance obligation is met and revenue is recognised once the obligations under the contracts have been met which is when the services have been provided. Services provided and fees for: a. minimum revenue guarantee: the additional revenue recognised by the Group for the difference in the minimum guarantee per licensee contract and actual performance; and b. other: hosting, live, set-up, content delivery network and maintenance fees. The fees charged to licensees for these services are fixed per month. The amounts for the above are recognised over the life of the contracts and are typically charged on a fixed percentage and stepped according to the monthly usage of the service depending on the type of service. Set-up fees are recognised over the whole period of the contract, with an average period of 36 months. The revenue is recognised monthly over the period of the contract and the payment terms of the B2B fixed fee income are on average 30 days from the invoice date.
B2B cost-based revenue	Cost-based revenue is the standard operator income of the Group which is made of the total revenue charged to the licensee based on the development costs needed to satisfy the contract with the licensee. The largest type of service included in cost-based revenue is the dedicated team costs. Dedicated team employees are charged back to the client based on time spent on each product. Cost-based revenues are recognised on a monthly basis based on the contract in place between each licensee and Playtech, and any additional services needed on development are charged to the licensee upon delivery of the service. The payment terms of the B2B cost-based revenue are on average 30 days from the invoice date.
B2B revenue received from the sale of hardware	Revenue received from the sale of hardware is the total revenue charged to customers upon the sale of each hardware product. The performance obligation is met and revenue is recognised on delivery of the hardware and acceptance by the customer. Revenue received from future sale of hardware is recognised as deferred revenue. Once the obligation for the future sale is met, revenue is then recognised in profit or loss. The payment terms of the B2B revenue received from the sale of hardware are on average 30 days from the invoice date.
Additional B2B services fee	This income is calculated based on the profit and/or net revenues generated by the customer in return for the additional services provided to them by the Group. This is typically charged on a monthly basis and is measured using a predetermined percentage set in each licensee arrangement. The revenue is only recognised when the customer's activities go live and the revenue from the additional B2B services is recognised only once the Group is unconditionally contractually entitled to it. The Directors have determined that this is when the customer starts generating profits, which is later than when the customer goes live with its B2C operations. The Directors' rationale is that there is uncertainty that the Group will collect the consideration to which it is entitled before the customer starts generating profits and, therefore, the revenue is wholly variable. The payment terms of the additional B2B services fees are on average 30 days from the invoice date.

Note 6 – Material accounting policies continued

D. Revenue recognition continued

Type of income	Nature, timing of satisfaction of performance obligations and significant payment terms
B2C revenue	In respect of B2C Snaitech revenues, the Group acts as principal with the end customer, with specific revenue policies as follows: • The revenues from land-based gaming machines are recognised net of the winnings, jackpots and certain flat-rate gaming tax; revenues are recognised at the time of the bet. • The revenues from online gaming (games of skill/casino/bingo) are recognised net of the winnings, jackpots, bonuses and certain flat-rate gaming tax at the conclusion of the bet. • The revenues related to the acceptance of fixed odds bets are considered financial instruments under IFRS 9 and are recognised net of certain flat-rate gaming tax, winnings, bonuses and the fair value of open bets at the conclusion of the event. • Poker revenues in the form of commission (i.e. rake) are recognised at the conclusion of each poker hand. The performance obligation is the provision of the poker games to the players. • All the revenues from gaming machines are recorded net of players' winnings and certain gaming taxes while the concession fees payable to the regulator and the compensation of operators, franchisees and platform providers are accounted as expenses. Revenue is recognised at the time of the bet. Where the gaming tax incurred is directly measured by reference to the individual customer transaction and related to the stake (described as "flat-rate tax" above), this is deducted from revenue. Where the tax incurred is measured by reference to the Group's net result from betting and gaming activity, this is not deducted from revenue and is recognised as an expense. In respect of Sun Bingo and B2C Sport revenue, the Group acts as principal with the end customer, with revenue being recognised at the conclusion of the event, net of winnings, jackpots and bonuses.
Financial trading income (discontinued operations)	Financial trading income represents gains (including commission) and losses arising on client trading activity, primarily in contracts for difference on shares, indexes, commodities and foreign exchange. Open client positions are carried at fair market value and gains and losses arising on this valuation are recognised in revenue as well as gains and losses realised on positions that have closed. The performance obligation is met in the accounting periods in which the trading transaction occurs and is concluded.

E. Share-based payments

Certain employees participate in the Group's share option plans. Following the 2012 LTIP employees are granted cash-settled options and equity-settled options. The Remuneration Committee has the option to determine if the option will be settled in cash or equity, a decision that is made at grant date. The fair value of the equity-settled options granted is charged to profit or loss on a straight-line basis over the vesting period and the credit is taken to equity, based on the Group's estimate of shares that will eventually vest. Fair value is determined by the Black-Scholes, Monte Carlo or binomial valuation model, as appropriate. The cash-settled options are presented as a liability. The liability is remeasured at each reporting date and settlement date so that the ultimate liability equals the cash payment on settlement date. Remeasurements of the fair value of the liability are recognised in profit or loss.

The Group has also granted awards to be distributed from the Group's Employee Benefit Trust. The fair value of these awards is based on the market price at the date of the grant; some of the grants have performance conditions. The performance conditions are for the Executive Management and include targets based on growth in earnings per share and total shareholder return over a specific period compared to other competitors. The fair value of the awards with market performance conditions is factored into the overall fair value and determined using a Monte Carlo method. Where these options lapse due to not meeting market performance conditions the share option charge is not reversed.

F. Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist tax advice.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

F. Income tax continued

(ii) Deferred tax

The Group adopted the amendments to IAS 12 issued in May 2023, which provide a temporary mandatory exception from the requirement to recognise and disclose deferred taxes arising from enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Under these amendments, any Pillar Two taxes incurred by the Group will be accounted for as current taxes from 1 January 2024.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised in the period in which the deductible temporary differences arise when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse, or where it is probable that taxable profit will be available against which a deductible temporary difference can be utilised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently, if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was recognised during the measurement period or is otherwise recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities, if and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The tax base of assets and liabilities is assessed at each reporting date, and changes in the tax base that result from internal reorganisations, changes in the expected manner of recovery or changes in tax law are reflected in the calculation of deductible and taxable temporary differences.

G. Finance expense

Finance expense arising on interest-bearing financial instruments carried at amortised cost is recognised in the profit or loss using the effective interest rate method. Finance expense includes the amortisation of fees that are an integral part of the effective finance cost of a financial instrument, including issue costs, and the amortisation of any other differences between the amount initially recognised and the redemption price. All finance expenses are recognised over the availability period.

Interest expense arising on the above during the period is disclosed under the financing activities in the consolidated statement of cash flows.

H. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Note 6 – Material accounting policies continued

I. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	%
Computers and gaming machines	20–33
Office furniture and equipment	7–33
Freehold and leasehold buildings and improvements	3–20, or over the length of the lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

J. Intangible assets and goodwill

(i) Recognition and measurement

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to profit or loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the profit or loss on the acquisition date as a gain on bargain purchase.

Externally acquired intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Business combinations

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Internally generated intangible assets (development costs)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Expenditure includes salaries, wages and other employee-related costs directly engaged in generating the assets and any other expenditure that is directly attributable to generating the assets (i.e. certifications and amortisation of right of use assets). Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditures on internally generated goodwill and brands, are recognised in the profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in the profit or loss. Goodwill is not amortised.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

J. Intangible assets and goodwill continued

(iii) Amortisation continued

The estimated useful lives for current and comparative periods are as follows:

	%
Domain names	Nil
Internally generated capitalised development costs	20–33
Technology IP	13–33
Customer lists	In line with projected cash flows or 7–20
Affiliate contracts	5–12.5
Patents and licences	10–33 or over the period of the licence

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

K. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

The criteria for held for sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets on a pro rata basis, except that no loss is allocated to inventories, financial assets or deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in the profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

L. Financial instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortised cost (debt instruments);
- financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables, loans receivable and cash and cash equivalents.

At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers whether there has been a significant increase in credit risk depending on the characteristics of each debt instrument.

Cash and cash equivalents consist of cash at bank and in hand, short-term deposits with an original maturity of less than three months and customer balances.

Note 6 – Material accounting policies continued

L. Financial instruments continued

(i) Financial assets continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in profit or loss. This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

The Group recognises a debt financial instrument with an embedded conversion option, such as a loan convertible into ordinary shares of an entity, as a financial asset in the balance sheet. On initial recognition, the convertible loan is measured at fair value with any gain or loss arising on subsequent measurement until conversion recognised in profit or loss. On conversion of a convertible instrument, the Group derecognises the financial asset component and recognises it as an investment (equity interest, associate, joint venture or subsidiary) depending on the results of the assessment performed under the relevant standards.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither: transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at fair value through profit or loss; and
- financial liabilities at amortised cost (loans and borrowings and bonds).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

L. Financial instruments continued

(ii) Financial liabilities continued

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

M. Share capital

Ordinary shares are classified as equity and are stated at the proceeds received net of direct issue costs.

N. Share buyback

Consideration paid for the share buyback is recognised against the additional paid in capital. Any excess of the consideration paid over the weighted average price of shares in issue is debited to the retained earnings.

O. Employee Benefit Trust

Consideration paid/received for the purchase/sale of shares subsequently put in the Employee Benefit Trust, which is controlled by the Company, is recognised directly in equity. The cost of shares held is presented as a separate reserve (the "Employee Benefit Trust reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

P. Dividends

Dividends are recognised when they become legally due. In the case of interim dividends to equity shareholders, this is when paid by the Directors. In the case of final dividends, this is when they are declared and approved by the shareholders at the AGM.

Q. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill in particular, the Group is required to test annually and also when impairment indicators arise, whether goodwill and indefinite life assets have suffered any impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

R. Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be minimum.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Note 6 – Material accounting policies continued

S. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

(i) Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated amortisation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in the profit or loss if the carrying amount of the right of use asset has been reduced to zero.

The cash payments made in relation to long-term leases are split between principal and interest paid on lease liability and disclosed within financing activities in the consolidated statement of cash flows.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term and included within financing activities in the consolidated statement of cash flows.

T. Fair value measurement

"Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: (a) in the principal market for the asset or liability; or (b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the financial statements continued

Note 6 – Material accounting policies continued

U. Adjusted performance measures (APMs)

In the reporting of financial information, the Directors use various APMs. The Directors use the APMs to understand, manage and evaluate the business and make operating decisions. These APMs are among the primary factors management uses in planning for and forecasting future periods.

As these are non-GAAP measures, they should not be considered as replacements for IFRS measures. The Group's definition of these non-GAAP measures may not be comparable to other similarly titled measures reported by other companies.

The following are the definitions and purposes of the APMs used:

APM	Closest equivalent IFRS measure	Reconciling items to statutory measure	Definition and purpose
Adjusted EBITDA and Adjusted Profit	Operating profit and Profit before tax	Note 11	Adjusted results exclude the following items: • Material non-cash items: these items are excluded to better analyse the underlying cash transactions of the business as management regularly monitors the operating cash conversion to Adjusted EBITDA. • Material one-off items: these items are excluded to get normalised results that are distorted by unusual or infrequent items. Unusual items include highly abnormal, one-off and only incidentally relating to the ordinary activities of the Group. Infrequent items are those which are not reasonably expected to recur in the foreseeable future given the environment in which the Group operates. • Investment/acquisition-related items: these items are excluded as they are not related to the ordinary activities of the business and therefore are not considered to be ongoing costs of the operations of the business. These APMs provide a consistent measure of the performance of the Group from period to period by removing items that are considered to be either non-cash, one-off or investment/acquisition related items. This is a key management incentive metric.
Adjusted gross cash and cash equivalents	Cash and cash equivalents	Chief Financial Officer's statement	Adjusted gross cash and cash equivalents is defined as the cash and cash equivalents after deducting the cash balances held on behalf of operators in respect of operators' jackpot games and poker and casino operations as well as client funds with respect to B2C.
Net debt	None	Chief Financial Officer's statement	Net debt is defined as the Adjusted gross cash and cash equivalents after deducting loans and borrowings and bonds. Used to show level of net debt in the Group and movement from period to period.
Adjusted net cash provided by operating activities	Net cash provided by operating activities	Chief Financial Officer's statement	Net cash provided by operating activities after adjusting for jackpots and client funds, professional fees and ADM (Italian regulator) security deposit. Adjusting for the above cash fluctuations is essential in order to truly reflect the quality of revenue and cash collection. This is because the timing of cash inflows and outflows for jackpots, security deposits and client funds only impact the reported operating cash flow and not Adjusted EBITDA, while professional fees are excluded from Adjusted EBITDA but impact operating cash flow.
Cash conversion	None	Chief Financial Officer's statement	Cash conversion is defined as cash generated from operations as a percentage of Adjusted EBITDA.
Adjusted cash conversion	None	Chief Financial Officer's statement	Adjusted cash conversion is defined as Adjusted net cash provided by operating activities as a percentage of Adjusted EBITDA.
Adjusted EPS	EPS	Note 16	The calculation of Adjusted EPS is based on the Adjusted Profit and weighted average number of ordinary shares outstanding.
Adjusted diluted EPS	Diluted EPS	Note 16	The calculation of Adjusted diluted EPS is based on the Adjusted Profit and weighted average number of ordinary shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.
Adjusted tax	Tax expense	Note 11	Adjusted tax is defined as the tax charge for the period after deducting tax charges related to uncertain tax positions relating to prior years, deferred tax on acquisition and the write down of deferred tax assets in respect of tax losses arising in prior years. As these items either do not relate to the current year or are adjusted in arriving at the Adjusted Profit, they distort the effective tax rate for the period.

Note 6 – Material accounting policies continued

V. Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Note 7 – Significant accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual events may differ from these estimates.

Judgements
In the process of applying the Group's accounting policies management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Impact of Caliplay dispute
Background
As per the public announcement released by Playtech on 6 February 2023, the Group, through its subsidiary, PT Services Malta Limited ("PT Malta"), is seeking a declaration from the English Courts to obtain clarification on a point of disagreement between Tecnologia en Entretenimiento Caliplay, S.A.P.I. ("Caliplay") and PT Malta in relation to the Caliente Call Option. The Caliente Call Option is an option held by Caliplay where, for 45 days after the finalisation of Caliplay's 2021 accounts, Caliplay could redeem PT Malta's additional B2B services fee or (if the Playtech Call Option had been exercised at that time) Caliente would have the option to acquire PT Malta's 49% stake in Caliplay. The Group believes the Caliente Call Option has expired and first referred to its expiry having taken place in its interim report for the six-month period ended 30 June 2022, which was published on 22 September 2022. The Group has not changed its position with regards expiry at both 31 December 2022 and 2023. The matter is still unresolved and it is currently due to be heard in English Court in October 2024.

If the Caliente Call Option was declared as being exercisable and was exercised, this would extinguish the Playtech Call Option and the Playtech M&A Call Option (refer to Note 21A for details on these option arrangements).

The dispute with Caliplay now also includes a litigation in relation to the B2B licensee fees and additional B2B services fees owed by Caliplay to Playtech under the terms of the Group's licence agreement. The dispute relates to amounts that date back to July 2023.

The Group became aware in early October 2023 that, in August 2023, without prior notice, Caliplay commenced proceedings in Mexico against the Group seeking (amongst other things) to invalidate the licence agreement between Caliplay and PT Malta (and the associated framework agreement which also includes the Playtech Call Option and the Playtech M&A Call Option). From that point, Caliplay has declined to pay nearly all monthly sums due under the licence agreement (for B2B licensee fee amounts due from August 2023 and additional B2B services fee amounts due from July 2023). Those Mexican proceedings have since been withdrawn by Caliplay, having been ordered to do so by the English Courts, but the amounts due to PT Malta remain unpaid.

PT Malta has therefore amended its case in the English Courts to include a debt claim for monies owed by Caliplay under the licence agreement for sums due as B2B licensee fees and additional B2B services fees. Caliplay has denied in its defence that these fees are outstanding or otherwise payable.

As regards the B2B licensee fees, Caliplay has made a counterclaim relating to alleged complaints about the quality of certain software licensed to it by PT Malta. Caliplay alleges that the difference in value provided to it by the software, as compared with the B2B licensee fees invoiced by PT Malta, entitles Caliplay to reduce the B2B licensee fees. Caliplay has also claimed that amounts invoiced by PT Malta in respect of the B2B licensee fees are in excess of those allowed by the contractual terms.

As regards the monthly additional B2B services fees, Caliplay has alleged that on 3 January 2024 it recorded a significant provision for the months of July to November 2023 and argues that, because of this provision, Caliplay's profits for Q3 2023 stand to be retrospectively adjusted downwards to zero, with the effect that all of the additional B2B services fees (which are calculated based on predefined percentage of revenue generated by Caliplay with a profit-linked cap (as provided for in the agreement)) for Q3 2023 also stand to be retrospectively adjusted downwards to zero. Caliplay also alleges, as a result of the significant provision, that it does not have sufficient working capital (after taking account of this provision) to pay these additional B2B services fees.

The monthly additional B2B services fees in respect of Q4 2023 have also not been paid. PT Malta is still to formally amend its claim to include these amounts and Caliplay has therefore not yet pleaded any defence as to the basis of its non-payment. However, the Group anticipates that Caliplay will seek to rely on substantially the same bases for non-payment of these fees as are relied upon in respect of Q3 2023.

Impact on revenue recognition and recovery of receivable
At 31 December 2023, the outstanding amount of the B2B licensee fee was €32.3 million and the outstanding amount of the additional B2B services fee was €54.2 million.

The Group has recognised the full outstanding amount above of €86.5 million within its total revenue for the year and in line with its revenue accounting policies as per Note 6D. In recognising the entire amount, the Group has assessed that it is highly probable that there will not be a significant reversal of this revenue in a subsequent period. This was principally supported by the following:

In relation to the monthly B2B licensee fees, the Group believes that Caliplay's counterclaim is unlikely to succeed and that Caliplay will also not be entitled to set it off against the B2B licensee fees owed. PT Malta's legal position is that Caliplay's interpretation of the licence agreement is not correct and that Caliplay will not be legally entitled, even if it did have a valid counterclaim, to set it off against the B2B licensee fees owed or to claim an alleged difference in value between the software provided and the B2B licensee fees invoiced.

Notes to the financial statements continued

Note 7 – Significant accounting judgements, estimates and assumptions continued

Judgements continued

Impact of Caliplay dispute continued

Impact on revenue recognition and recovery of receivable continued

The Group also does not accept the factual allegations which Caliplay has made about its software, considers that Caliplay's case does not accurately reflect the contractual obligations which relate to the Group's software, and in any event firmly believes that it has met its performance obligations under the agreement and therefore is entitled to the full revenue. The Group's software has helped to deliver considerable year-on-year revenue growth for Caliplay; the Group believes that growth is inconsistent with the allegations which Caliplay is now making about the quality of software and services delivered.

In relation to the monthly additional B2B services fees, the Group believes that Caliplay is unlikely to convince the English Courts on its current case that the provision is valid and has any effect on the amounts due to the Group (through PT Malta). This is principally for the following reasons:

- Caliplay has provided very little information about the basis and nature of the provision, despite requests, and the Group believes that Caliplay's pleading is defective.
- There is no contractual mechanism under the licence agreement to retrospectively adjust the additional B2B services fees.
- Caliplay's case on working capital does not make any reference to the timeframe in which the alleged provision would theoretically be paid, and therefore based on the information provided this provision has no bearing on any working capital requirements.

The Adjusted EBITDA recorded for the year ended 31 December 2023 is therefore exposed to the outstanding invoices of €86.5 million should the Group not recover the debt. This is reduced by certain subcontractor payments linked to the revenue recognised which per the agreement would only be made when the debt is received by the Group.

In addition, there is potentially a risk that if the English Court orders the immediate payment of all outstanding fees, Caliplay may still refuse to pay under the relevant settlement agreement and/or court order. However, the Group considers that this probability is unlikely based on current information. Not complying with an English Court order carries significant reputational risks for Caliplay and the potentially adverse impact upon its external relationships. Furthermore, we are not aware of any current risk of non-compliance. Instead, so far Caliplay has complied with the two court orders in PT Malta's favour in relation to the order to withdraw the proceedings in Mexico and not to litigate there further (granted by Mr Justice Foxton in October 2023 and Mr Justice Bright in December 2023 respectively). In the unlikely event that Caliplay refuses to pay the Group in circumstances where Playtech has the benefit of an English Court judgement ordering Caliplay to do so, Playtech will take all steps available to seek immediate enforcement of the order in Mexico by way of recognition of the English judgement under the appropriate bi-lateral enforcement treaty, and continue to demand the outstanding fees from Caliplay.

Impact on Playtech M&A Call Option valuation

The Playtech M&A Option is further described in Note 21A of the financial statements, with the valuation methodology and assumptions covered in Note 21C.

The Group's view of a reasonable market participant base discount rate for the 31 December 2023 valuation is unchanged since last year. However, due to the ongoing legal proceedings and the disputes with Caliplay, the Group has adjusted the fair value of the Playtech M&A Call Option to reflect this risk, by including an additional company-specific risk premium in the discount rate, which overall increased it to 20% (31 December 2022: 16%). The impact of the increase in discount rate is to reduce the fair value of the option from €846.0 million to €730.2 million.

Furthermore, although we do not believe the significant provision made by Caliplay is valid, were this to be included in the valuation of the Playtech M&A Call Option as an adjustment to net debt, this would have a material impact on the value of the Playtech M&A Call Option.

Impact on CGU impairment reviews and recoverability of deferred tax assets

Whilst our current contract with Caliplay under which we are entitled to receive our fees (including the B2B licensee fees and the additional B2B services fees) is expiring in 2034, and this was our base assumption in the CGU impairment reviews and deferred tax asset recoverability assessment, should there be material changes to the cash flows arising from the contract this could potentially lead to impairments in certain CGUs of the Group including Casino, Sports B2B, Services, Quickspin and Eyecon (Note 20).

Similarly, this could also affect the recoverability assessment of the deferred tax asset, due to the reduction in profits against which the deferred tax asset is able to be utilised, as well as impacting the carrying value of the Parent Company investment in subsidiary.

Given the current uncertainty, the Group is not able to materially estimate the effect of this and in any event considers it highly unlikely that there will be material changes to the cash flows such that the assets referred to above are materially impacted.

Impact on going concern and viability statement assessment

As per the going concern assessment under Note 2, while in the base case cash flow forecasts the Group has assumed full recovery of the outstanding amounts within the going concern period of assessment, there is a remote risk depending on the progress of the legal dispute that no cash will be received in the going concern period to 30 June 2025 and hence this was modelled in the stress test scenario.

Even under this scenario the Group still has sufficient headroom on its covenants and liquidity and hence the Directors still have a reasonable expectation that the Group will continue as a going concern over the relevant going concern period.

This remote scenario was also modelled in the viability assessment which covers a period of three years, with the conclusion being that there is a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to 31 December 2026.

Note 7 – Significant accounting judgements, estimates and assumptions continued

Judgements continued

Revenue from contracts with customers

The Group applies judgement in determining whether it is acting as a principal or an agent specifically on the revenue earned under the B2B licensee fee stream. This income falls within the scope of IFRS 15 Revenue from Contracts with Customers. In making these judgements, the Group considers, by examining each contract with its customers, which party has the primary responsibility for providing the services and is exposed to the majority of the risks and rewards associated with providing the services, as well as if it has latitude in establishing prices, either directly or indirectly. The business model of this division is predominantly a revenue share model which is based on software fees earned from B2C business partners' revenue.

IFRS 15, paragraph B37 describes indicators that an entity controls the specified good or service before it is transferred to a customer and therefore acts as the principal. Based on this assessment it was concluded that Playtech is acting as an agent under the B2B licensee fee stream due to the three indicators under B37 which are not satisfied as follows:

- Playtech is responsible in fulfilling the contract to the operator, principally in respect of the software solutions, and not to the end customer which is the responsibility of the operator;
- there is no inventory risk as Playtech does not have the ability to direct the use of, and obtain substantially all of the remaining benefits from, the good or service before it is transferred to the end customer; and
- Playtech does not have any discretion in establishing prices set by the operator to third parties.

Based on the above it was determined that the Group was acting as agent and revenue is recognised as the net amount of B2B licensee fees received. The majority of this B2B revenue is recognised when the gaming or betting activity used as the basis for the revenue share calculation takes place, and furthermore is only recognised when collection is virtually certain with a legally enforceable right to collect.

The Group applied judgement in determining whether price concessions in respect of ongoing negotiations and contract modifications should be accounted for as variable consideration in revenue. Once there is a valid expectation that the concession of the variable consideration is highly probable, the Group accounts for it under IFRS 15 paragraph 52.

IFRS 15, paragraph 52 describes that in addition to the terms of the contract, the promised consideration is variable if either of the following circumstances exists:

- The operator has a valid expectation arising from Playtech's customary business practices, published policies or specific statements that Playtech will accept an amount of consideration that is less than the price stated in the contract, that is, it is expected that Playtech will offer a price concession. Depending on the jurisdiction, industry or customer this offer may be referred to as a discount, rebate, refund or credit.
- Other facts and circumstances indicate that Playtech's intention, when entering into the contract with the operator, is to offer a price concession to the operator.

The Group has estimated the variable consideration based on the best estimates of future outcomes to determine the most likely amount of consideration to be received.

Internally generated intangible assets

The Group capitalises costs for product development projects. Expenditure on internally developed products is capitalised when it meets the following criteria:

- adequate resources are available to complete and sell the product;
- the Group is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Initial capitalisation of cost is based on management's judgement that the technological and economic feasibility is confirmed, usually when product development has reached a defined milestone and future economic benefits are expected to be realised according to an established project management model. Following capitalisation, an assessment is performed in regard to project recoverability which is based on the actual return of the project. During the year, the Group capitalised €56.7 million (2022: €57.5 million) and the carrying amount of capitalised development costs as at 31 December 2023 was €133.5 million (2022 restated: €128.1 million).

Adjusted performance measures

As noted in Note 6, paragraph U, the Group presents adjusted performance measures which differ from statutory measures due to exclusion of certain non-cash and one-off items from the actual results. The determination of whether these items should form part of the adjusted results is a matter of judgement as management assess whether these items meet the definition disclosed in Note 6, paragraph U. The items excluded from the adjusted measures are described in further detail in Note 11.

Provision for risks and charges and potential liabilities

The Group operates in a number of regulated markets and is subject to lawsuits and potential lawsuits regarding complex legal matters, which are subject to a different degree of uncertainty in different jurisdictions and under different laws. For all material ongoing and potential legal and regulatory claims against the Group, an assessment is performed to consider whether an obligation or possible obligation exists and to determine the probability of any potential outflow to determine whether a claim results in the recognition of a provision or disclosure of a contingent liability. The timing of payment of provisions is subject to uncertainty and may have an effect on the presentation of the provisions as current and non-current liabilities in the balance sheet. Expected timing of payment and classification of provision is determined by management based on the latest information available at the reporting date. See Note 30 for further details.

Notes to the financial statements continued

Note 7 – Significant accounting judgements, estimates and assumptions continued

Judgements continued

Classification of equity call options

Background

In addition to the provision of software-related solutions as a B2B product, the Group also offers certain customers a form of offering (which includes software and related services) which is termed a "structured agreement". Structured agreements are customarily with customers that have a gaming licence and are retail/land-based operators that are looking to establish their online B2C businesses – these customers require initial support beyond the provision of the Group's standard B2B software technology. With this product offering, Playtech offers additional services to support the customer's B2C activities over and above the B2B software solution products.

Playtech generates revenues from the structured agreements as follows:

- B2B licensee fee income (as per Note 6D); and
- revenue based on predefined revenue generated by each customer under each structured agreement which is typically capped at a percentage of the profit (also defined in each agreement) generated by the customer, which compensates Playtech for the additional services provided (additional B2B services fee as per Note 6D).

Under these agreements, Playtech typically has a call option to acquire equity in the operating entities. If the call option is exercised by Playtech, the Group would no longer provide certain services (which generally include technical and general strategic support services) and would no longer receive the related additional B2B services fee. This mechanism is not designed as a control feature but mainly to protect Playtech's position should the customer be subject to an exit transaction. Playtech is therefore able to benefit from any value appreciation in the operation and could also potentially cease to provide the additional B2B services should it choose to do so dependent on the nature of the exit transaction.

Judgement applied

In respect of each of the structured agreements where the Group holds equity call options, management applies judgement to assess whether the Group has control or significant influence. For each of the Group's structured agreements an assessment was completed in Note 21 using the below guidance.

The existence of control by an entity is evidenced if all of the below are met in accordance with IFRS 10 Consolidated Financial Statements, paragraph 7:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

In the cases where the Group assessed that it exercises control over these arrangements, then the company is consolidated in the Group's annual results in accordance with IFRS 10.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways in accordance with IAS 28 Investment in Associates and Joint Ventures, paragraph 6:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

If the conclusion is that the Group has significant influence, the next consideration made is whether there is current access to net profits and losses of the underlying associate. This is determined by the exercise conditions of each relevant equity call option and in particular whether the options are exercisable at the end of each reporting period.

If the option is exercisable then the investment is accounted for using the equity accounting method. However, in the cases where the company over which the Group has a current exercisable option generates profits, management made a judgement and concluded that Playtech's share of profits (were the option to be exercised) should not be recognised as it is unlikely that the profits will be realised as the existing shareholder has the right, and is entitled, to extract distributable profits. As such, management did not consider it appropriate to recognise any share of these profits. However, in the cases where the associate has generated losses, the Group's percentage share is recognised and deducted from the carrying value of the investment in associate.

Management has made a further judgement that if the equity call option is not exercisable at the end of the reporting period, then the option is recorded at fair value as per IAS 28, paragraph 14 and recognised as a derivative financial asset as per IFRS 9 Financial Instruments.

Furthermore, under some of these arrangements the Group has provided loan advances. In such instances a judgement was made as to whether these amounts form part of the Group's investment in the associate as per IAS 28, paragraph 38, with a key consideration being whether the Group expects settlement to occur in the foreseeable future. In the case where this is not expected and there is no set repayment term, then it is concluded that in substance these loans are extensions of the entity's investment in the associate and therefore would form part of the cost of the investment.

Finally, the Group has certain agreements in relation to the provision of services by service providers in connection with certain of the Group's obligations under their various structured agreements. Under these arrangements, the service providers have certain rights to equity. In order for these rights to crystallise, the Group must first exercise the relevant option. A judgement was therefore made that no current liability exists under IAS 32, until the point when Playtech exercises the option.

Note 7 – Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Cash-generating units

Impairment exists when the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model (DCF). The cash flows are derived from the three-year budget, with CGU-specific assumptions for the subsequent two years. They do not include restructuring activities that the Group is not yet committed to or significant future investments that may enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rates used in years four and five and for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount of the different CGUs are disclosed and further explained in Note 20, including a sensitivity analysis for the CGUs that have lower headroom.

Investment in associates

In assessing impairment of investments in associates, management utilises various assumptions and estimates that include projections of future cash flows generated by the associate, determination of appropriate discount rates reflecting the risks associated with the investment, and consideration of market conditions relevant to the investee's industry. The Group exercises judgement in evaluating impairment indicators and determining the amount of impairment loss, if any. This involves assessing the recoverable amount of the investment based on available information and making decisions regarding the appropriateness of key assumptions used in impairment testing.

Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognised when, despite the Group's belief that its tax return positions are supportable, the Group believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made. Where management conclude that it is not probable that the taxation authority will accept an uncertain tax treatment, they calculate the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. The effect of uncertainty for each uncertain tax treatment is reflected by using the expected value – the sum of the probabilities and the weighted amounts in a range of possible outcomes. More details are included in Note 15.

Deferred tax asset

In evaluating the Group's ability to recover our deferred tax assets in the jurisdiction from which they arise, management considers all available positive and negative evidence, projected future taxable income, tax-planning strategies and results of recent operations. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Judgement is required in determining the initial recognition and the subsequent carrying value of the deferred tax asset. Deferred tax asset is only able to be recognised to the extent that utilisation is considered probable. It is possible that a change in profit forecasts or risk factors could result in a material change to the income tax expense and deferred tax asset in future periods.

Deferred tax asset in the UK

As a result of the Group's internal restructuring in January 2021, the Group is entitled to UK tax deductions in respect of certain goodwill and intangible assets. A deferred tax asset was recognised as the tax base of the goodwill and intangible assets is in excess of the book value base of those assets. At the beginning of the period, the net recognised deferred tax asset amounted to €56.8 million. As at 31 December 2023, an additional deferred tax asset of €5.2 million was recognised. This additional deferred tax asset has been recognised as the Group's management has concluded that it is probable for the UK entities to continue to generate taxable profits in the future against which the Group can utilise the tax deductions for goodwill and intangible assets. During the year, €14.8 million has been utilised and the net recognised deferred tax asset as at 31 December 2023 amounts to €47.2 million. In addition, a total of €31.8 million of deferred tax asset has not been recognised in respect of the benefit of future tax deductions related to the goodwill and intangible assets which will arise more than five years after the balance sheet date.

Deferred tax assets are reviewed at each reporting date. In considering their recoverability, the Group assesses the likelihood of their being recovered within a reasonably foreseeable timeframe, which is broadly in line with our viability assessment and the cash flow forecasts period used in our CGU impairment assessment. The Group updated its forecasts, following changes in assumptions made to the forecasts during 2023, due to certain changes in the current period to the expected profit profile within its UK business unit that carries significant losses. This forms a change in accounting estimate and resulted in a reversal of €37.2 million in the current year of previously recognised deferred tax assets in respect of UK tax losses and tax attributes relating to excess interest expense brought forward.

Notes to the financial statements continued

Note 7 – Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions continued

Deferred tax asset continued

Deferred tax asset in the UK continued

As at 31 December 2023, a deferred tax asset of €27.2 million has been recognised in respect of UK tax losses (2022: €64.4 million). Based on the current forecasts, these losses will be fully utilised over the forecast period. Remaining UK tax losses and excess interest expense of €268.3 million (2022: €Nil) have not been recognised as at 31 December 2023 as expected utilisation would fall outside the forecasting period and therefore there is not sufficient certainty they will be recovered.

Any future changes in the tax law or the structure of the Group could have a significant effect on the use of the tax deductions, including the period over which the deductions can be utilised.

Deferred tax assets in Italy

The Group has recognised a deferred tax asset of €2.1 million (2022: €23.1 million) in respect of tax losses in Italy which are available to offset against the future profits of the Italian Group companies. Based on the current forecasts, these losses will be fully utilised within the next year.

The Group reviewed the latest forecasts for the Italian companies for the next five years, including their ability to continue to generate income beyond the forecast period under the tax laws substantively enacted at the reporting date. Based on this, the Group management concludes that it is probable that the Italian Group companies will continue to generate taxable income in the future against which the losses can be utilised. Any future changes in the tax law or the structure of the Group could have a significant effect on the use of the tax deductions, including the period over which the deductions can be utilised.

Impairment of financial assets

The Group undertook a review of trade receivables and other financial assets, as applicable, and their expected credit losses (ECLs). The review considered the macroeconomic outlook, customer credit quality, exposure at default, and effect of payment deferral options as at the reporting date. The ECL methodology and definition of default remained consistent with prior periods. The model inputs, including forward-looking information, scenarios and associated weightings, together with the determination of the staging of exposures, were revised. The Group's financial assets consist of trade and loans receivables and cash and cash equivalents. ECL on cash balances was considered and calculated by reference to Moody's credit ratings for each financial institution, while ECL on trade and loans receivables was based on past default experience and an assessment of the future economic environment. More details are included in Note 39.

In respect of the Group's Asian licensees' business model an additional ECL risk was identified due to increase in collection days and uncertainty over timing of receipt of funds. An additional provision was made in the year ended 31 December 2023 of €3.4 million (2022: €15.4 million).

Sun Bingo agreement

Background

The News UK contract commenced in 2016 and was originally set for a five-year period to June 2021. Both parties have obligations under the contract, which includes News UK providing access to brand and related materials as well as other services. Playtech has the primary responsibility for the operation of the arrangement, but both parties have contractual responsibilities.

The related brands are used in Playtech's B2C service, where the Group acts as the principal, meaning that in the Group's consolidated statement of comprehensive income:

- revenue from B2C customers is recognised as income; and
- the fees paid to News UK for use of the brands are an expense as they are effectively a supplier.

In the original contract, the fees payable were subject to a predetermined annual minimum guarantee (MG) which Playtech had to pay to News UK.

During the period from 2016 to 2018, performance was not in line with expectations, and as such, the MG made this operation significantly loss-making for the Group. This opened the negotiations with News UK for certain amendments to the contract, which were agreed and signed in February 2019 as follows:

- the MG was still payable up until the end of the original contract period, being June 2021, with no MG payable after that; and
- the contract term was extended to permit Playtech access to News UK's brands and other related materials and other services, for a longer period, to allow Playtech to recover its MG payments and to make a commercial return as was always envisaged. The term of the contract was extended to end at the earlier of: a) five years from the date when Playtech had fully recovered all MG payments made; or b) 15 years from the renegotiation (i.e. June 2036).

Judgements made on recognition and measurement

The annual MG paid to News UK was recognised in Playtech's profit or loss up until February 2019, essentially being expensed over the original term of the contract. However, from the point at which the amended contract became effective, the timing of the MG paid (being based on the original terms) no longer reflected the period over which Playtech was consuming the use of the News UK brands and other related services from them. As such, a prepayment was recorded to reflect the amount that had been paid, as at each period end, which related to the future use of the brands and services. IFRS do not have a specific standard that deals with accounting for prepayments; however, the asset recognised as a prepayment is in accordance with IAS 1 Presentation of Financial Statements.

At the commencement of the agreement and on renegotiation of the contract, the Directors considered whether the nature of the arrangement gave rise to any intangible assets. At contract inception the Directors concluded that there were no such assets to recognise as both parties had contractual obligations under the agreement to deliver services, as explained above. Post the contract renegotiation, the amounts to be paid in the remainder of the initial period were considered to be advanced payments in respect of amounts to be earned by News UK over the remainder of the extended contract period. Consequently, the Directors did not believe that there was a fundamental change in the nature of the arrangements and it was considered most appropriate to categorise the amounts paid as operating expense prepayments.

Note 7 – Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions continued

Sun Bingo agreement continued

Judgements made on recognition and measurement continued

As noted above, the term of this renegotiated contract is dependent on the future profitability of the contract, and it was expected that the future profitability would mean the contract would finish before the end of the fixed term period. For this reason, it was considered appropriate that the prepayment recognised should be released to the profit or loss in line with this expected profitability, rather than on a straight-line basis.

The amounts held in non-current and current assets of €58.7 million (2022: €63.4 million) and €4.4 million (2022: €3.6 million) in Notes 22 and 24, respectively, are the differences between the MG actually paid to News UK from February 2019 to June 2021 and the amounts recognised in the Group's profit or loss from February 2019 to December 2022.

As with any budgeting process, there is always a risk that the plan may not be realised. This risk increases the longer the period for which the budget covers and in this instance the period is potentially up to 13 years from 31 December 2023. When producing the budget, management applies reasonable assumptions based on known factors, but sometimes and outside of management's control, these factors may vary. However, management also reviews these forecasts at each reporting period and more regularly internally and adjusts the expense released accordingly. Based on the most recent forecasts and current profitability and the fact that the Group had been running the operation since 2016 and therefore has significant experience of the level of profitability that can be derived from the operation, it is confident that the performance of the business will allow the full recovery of this asset, before the contract ends.

Calculation of legal provisions

The Group ascertains a liability in the presence of legal disputes or ongoing lawsuits when it believes it is probable that a financial outlay will take place and when the amount of the losses can be reasonably estimated. The Group is subject to lawsuits regarding complex legal problems, which are subject to a differing degree of uncertainty (also due to a complex legislative framework), including the facts and the circumstances inherent to each case, the jurisdiction and the different laws applicable. Given the uncertainties inherent to these problems, it is difficult to predict with certainty the outlay which will derive from these disputes and it is therefore possible that the value of the provisions for legal proceedings and disputes may vary depending on future developments in the proceedings underway. The Group monitors the status of the disputes underway and consults with its legal advisers and experts on legal and tax-related matters. More details are included in Note 30.

Measurement of fair values of equity investments and equity call options

The Group's equity investments and, where applicable (based on the judgements applied above), equity call options held by the Group, are measured at fair value for financial reporting purposes. The Group has an established control framework with respect to the measurement of fair value.

In estimating the fair value of an asset and liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third-party qualified valuers to assist in performing the valuation. The Group works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model.

As mentioned in Note 21, the Group has:

- investments in listed securities where the fair values of these equity shares are determined by reference to published price quotations in an active market;
- equity investments in entities that are not listed, accounted at fair value through profit or loss under IFRS 9; and
- derivative financial assets (call options in instruments containing potential voting rights), which are accounted at fair value through profit or loss under IFRS 9.

The fair values of the equity investments that are not listed, and of the derivative financial assets, rely on non-observable inputs that require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs. Valuation techniques used to calculate fair values include comparisons with similar financial instruments for which market observable prices exist, DCF analysis and other valuation techniques commonly used by market participants. Upon the use of DCF method, the Group assumes that the expected cash flows are based on the EBITDA.

The Group only uses models with unobservable inputs for the valuation of certain unquoted equity investments. In these cases, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs; for example, as a result of illiquidity in the market. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. Unobservable inputs are determined based on the best information available. Further details on the fair value of assets are disclosed in Note 21.

Notes to the financial statements continued

Note 7 – Significant accounting judgements, estimates and assumptions continued

Estimates and assumptions continued

Measurement of fair values of equity investments and equity call options continued

The following table shows the carrying amount and fair value of non-current assets, as disclosed in Note 21, including their levels in the fair value hierarchy.

	Carrying amount	Fair value		
	2023 €'m	Level 1 €'m	Level 2 €'m	Level 3 €'m
Non-current assets				
Other investments (Note 21B)	**92.8**	**15.8**	**—**	**77.0**
Derivative financial assets (Note 21C)	**827.8**	**—**	**—**	**827.8**
	920.6	**15.8**	**—**	**904.8**

	Carrying amount	Fair value		
	2022 €'m	Level 1 €'m	Level 2 €'m	Level 3 €'m
Non-current assets				
Other investments (Note 21B)	9.2	1.4	—	7.8
Derivative financial assets (Note 21C)	636.4	—	—	636.4
	645.6	1.4	—	644.2

Note 8 – Segment information

The Group's reportable segments are strategic business units that offer different products and services.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board including the Chief Executive Officer and the Chief Financial Officer.

The operating segments identified are:

- B2B: Providing technology to gambling operators globally through a revenue share model and, in certain agreements, taking a higher share in exchange for additional services;
- B2C – Snaitech: Acting directly as an operator in Italy and generating revenues from online gambling, gaming machines and retail betting;
- B2C – Sun Bingo and Other B2C: Acting directly as an operator in the UK market and generating revenues from online gambling;
- B2C – HAPPYBET: Acting directly as an operator in Germany and Austria and generating revenues from online gambling and retail betting; and
- Financial – including B2C and B2B CFD (discontinued operations): Online CFDs, broker and trading platform provider, operating a number of brands across numerous countries. This division was disposed in the year ended 31 December 2022.

The Group-wide profit measure is Adjusted EBITDA (see Note 11).

Year ended 31 December 2023	B2B €'m	Snaitech €'m	Sun Bingo and Other B2C €'m	HAPPYBET €'m	Intercompany B2C €'m	Total B2C €'m	Intercompany €'m	Total €'m
Revenue	**684.1**	**946.6**	**73.4**	**18.2**	**(1.2)**	**1,037.0**	**(14.4)**	**1,706.7**
Adjusted EBITDA	**182.0**	**256.1**	**6.0**	**(11.8)**	**—**	**250.3**	**—**	**432.3**
Total assets	**2,102.4**	**1,115.5**	**90.6**	**17.3**	**—**	**1,223.4**	**—**	**3,325.8**
Total liabilities	**1,018.6**	**469.4**	**26.0**	**5.6**	**—**	**501.0**	**—**	**1,519.6**

Year ended 31 December 2022	B2B €'m	Snaitech €'m	Sun Bingo and Other B2C €'m	HAPPYBET €'m	Intercompany B2C €'m	Total B2C €'m	Intercompany €'m	Total Gaming – continuing operations €'m	Financial – discontinued operations €'m	Total €'m
Revenue	632.4	899.8	65.3	20.1	(2.1)	983.1	(13.7)	1,601.8	74.5	1,676.3
Adjusted EBITDA	160.2	244.0	2.0	(10.8)	—	235.2	—	395.4	33.8	429.2
Total assets	1,854.1	1,070.8	89.7	9.3	—	1,169.8	—	3,023.9	—	3,023.9
Total liabilities	697.2	603.2	14.6	6.4	—	624.2	—	1,321.4	—	1,321.4

Note 8 – Segment information continued

Geographical analysis of non-current assets

The Group's information about its non-current assets by location is detailed below:

	2023 €'m	2022 €'m
Italy	750.3	746.1
UK	332.9	328.4
Austria	54.8	131.5
Alderney	63.9	75.9
Sweden	48.7	59.9
Gibraltar	27.8	27.9
Cyprus	19.4	22.0
Latvia	17.5	15.5
Australia	17.3	18.8
Ukraine	4.0	8.8
Estonia	8.6	7.8
British Virgin Islands	7.5	8.2
Rest of World	76.6	59.7
	1,429.3	1,510.5

The segment assets and liabilities are not provided to the chief operating decision maker.

Note 9 – Discontinued operations

The results of the discontinued operations for the year are presented below:

	2023		2022	
	Actual €'m	Adjusted €'m	Actual €'m	Adjusted €'m
Revenue	—	—	74.5	74.5
Distribution costs before depreciation and amortisation	—	—	(34.9)	(34.8)
Administrative expenses before depreciation and amortisation	—	—	(13.3)	(4.0)
Impairment of financial assets	—	—	(1.9)	(1.9)
EBITDA	—	—	24.4	33.8
Finance income	—	—	11.6	11.6
Finance costs	—	—	(0.5)	(0.5)
Profit on disposal of discontinued operations	—	—	15.1	—
Profit before taxation	—	—	50.6	44.9
Tax expense	—	—	(3.6)	(3.7)
Profit from discontinued operations, net of tax	—	—	47.0	41.2

All of the profit from discontinued operations, net of tax, in the year ended 31 December 2022 relates to the Financial segment, which was disposed in July 2022 for a cash consideration of $228.1 million (€223.9 million).

The following table provides a full reconciliation between adjusted and actual results from discontinued operations:

For the year ended 31 December 2022	Revenue €'m	EBITDA €'m	Profit from discontinued operations attributable to the owners of the Company €'m
Reported as actual	74.5	24.4	47.0
Employee stock option expenses	—	0.3	0.2
Professional fees[1]	—	9.1	9.1
Profit on disposal of discontinued operations	—	—	(15.1)
Adjusted measure	74.5	33.8	41.2

1 On the completion of the disposal, the break fee of US$8.8 million to the Consortium that had previously agreed to acquire the Financial segment, as announced in May 2021, was triggered and therefore paid. This is included in professional fees.

Notes to the financial statements continued

Note 9 – Discontinued operations continued

Earnings per share from discontinued operations

	2023		2022	
	Actual	Adjusted	Actual	Adjusted
Basic (cents)	—	—	15.7	13.7
Diluted (cents)	—	—	15.1	13.2

The net cash flows incurred by the Financial segment in the period are as follows:

	2023 €'m	2022 €'m
Operating	—	28.2
Investing	—	(3.8)
Financing	—	(1.1)
Net cash inflow	—	23.3

The above net cash inflow does not include the disposal proceeds.

Note 10 – Revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following tables which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by recognition date; and
- enable users to understand the relationship with revenue segment information provided in the segmental information note.

Revenue analysis by geographical location of licensee, product type and regulated vs unregulated by geographical major markets

The revenues from B2B (consisting of licensee fee, fixed-fee income, revenue received from the sale of hardware, cost-based revenue and additional B2B services fee) and B2C are described in Note 6D.

Upon signing a software licence agreement with a new licensee, the Group verifies its gambling licence (jurisdiction) and registers it accordingly to the Group's database. The table below shows the revenues generated from the jurisdictions of the licensee.

Playtech has disclosed jurisdictions with revenue greater than 10% of the total Group revenue separately and categorised the remaining revenue by wider jurisdictions, being Rest of Europe, Latin America (LATAM) and Rest of World.

For the year ended 31 December 2023

Primary geographic markets	B2B €'m	Snaitech €'m	Sun Bingo and Other B2C €'m	HAPPYBET €'m	Intercompany B2C €'m	Total B2C €'m	Intercompany €'m	Total €'m
Italy	36.9	945.4	—	—	—	945.4	(10.6)	971.7
UK	127.0	—	73.4	—	—	73.4	(3.8)	196.6
Mexico	183.0	—	—	—	—	—	—	183.0
Rest of Europe	232.4	1.2	—	18.2	(1.2)	18.2	—	250.6
LATAM	44.8	—	—	—	—	—	—	44.8
Rest of World	60.0	—	—	—	—	—	—	60.0
	684.1	946.6	73.4	18.2	(1.2)	1,037.0	(14.4)	1,706.7

Product type	B2B €'m	B2C €'m	Intercompany €'m	Total €'m
B2B licensee fee	467.2	—	(12.6)	454.6
B2B fixed-fee income	32.8	—	(0.8)	32.0
B2B cost-based revenue	57.4	—	(1.0)	56.4
B2B revenue received from the sale of hardware	13.8	—	—	13.8
Additional B2B services fee	112.9	—	—	112.9
Total B2B	684.1	—	(14.4)	669.7
Snaitech	—	946.6	—	946.6
Sun Bingo and Other B2C	—	73.4	—	73.4
HAPPYBET	—	18.2	—	18.2
Intercompany	—	(1.2)	—	(1.2)
Total B2C	—	1,037.0	—	1,037.0
Total	684.1	1,037.0	(14.4)	1,706.7

Note 10 – Revenue from contracts with customers continued

Revenue analysis by geographical location of licensee, product type and regulated vs unregulated by geographical major markets continued

	2023 €'m
Regulated – Americas	
– US and Canada	**13.2**
– Latin America	**198.7**
Regulated – Europe (excluding UK)	**200.1**
Regulated – UK	**126.1**
Regulated – Rest of World	**7.0**
Total regulated B2B revenue	**545.1**
Unregulated	**139.0**
Total B2B revenue	**684.1**

For the year ended 31 December 2022

Primary geographic markets	B2B €'m	Snaitech €'m	Sun Bingo and Other B2C €'m	HAPPYBET €'m	Intercompany B2C €'m	Total B2C €'m	Intercompany €'m	Total Gaming – continuing operations €'m	Financial – discontinued operations €'m	Total €'m
Italy	35.1	897.7	—	—	—	897.7	(10.0)	922.8	1.3	924.1
UK	127.0	—	65.2	—	—	65.2	(3.7)	188.5	34.1	222.6
Rest of Europe	233.3	2.1	0.1	20.1	(2.1)	20.2	—	253.5	10.4	263.9
LATAM	160.7	—	—	—	—	—	—	160.7	18.6	179.3
Rest of World	76.3	—	—	—	—	—	—	76.3	10.1	86.4
	632.4	899.8	65.3	20.1	(2.1)	983.1	(13.7)	1,601.8	74.5	1,676.3

Product type	B2B €'m	B2C €'m	Intercompany €'m	Total Gaming – continuing operations €'m	Financial – discontinued operations €'m	Total €'m
B2B licensee fee	451.7	—	(12.4)	439.3	—	439.3
B2B fixed-fee income	42.1	—	(0.6)	41.5	—	41.5
B2B cost-based revenue	59.9	—	(0.7)	59.2	—	59.2
B2B revenue received from the sale of hardware	13.2	—	—	13.2	—	13.2
Additional B2B services fee	65.5	—	—	65.5	—	65.5
Total B2B	632.4	—	(13.7)	618.7	—	618.7
Snaitech	—	899.8	—	899.8	—	899.8
Sun Bingo and Other B2C	—	65.3	—	65.3	—	65.3
HAPPYBET	—	20.1	—	20.1	—	20.1
Intercompany	—	(2.1)	—	(2.1)	—	(2.1)
Total B2C	—	983.1	—	983.1	—	983.1
Financial	—	—	—	—	74.5	74.5
Total	632.4	983.1	(13.7)	1,601.8	74.5	1,676.3

	2022 €'m
Regulated – Americas	
– US and Canada	7.6
– Latin America	137.1
Regulated – Europe (excluding UK)	184.6
Regulated – UK	126.7
Regulated – Rest of World	5.6
Total regulated B2B revenue	461.6
Unregulated	170.8
Total B2B revenue	632.4

Notes to the financial statements continued

Note 10 – Revenue from contracts with customers continued

Revenue analysis by geographical location of licensee, product type and regulated vs unregulated by geographical major markets continued

There were no changes in the Group's revenue measurement policies and procedures in 2023 and 2022. The vast majority of the Group's B2B contracts are for the delivery of services within the next 12 months. For the year ended 31 December 2023, Playtech recognised revenue from a single customer totalling approximately 10.3% of the Group's total revenue (2022: no single customer accounted for over 10%).

The Group's contract liabilities, in other words deferred income, primarily include advance payment for hardware and services and also include certain fixed fees paid by the licensee in the beginning of the contract. Deferred income as at 31 December 2023 was €6.2 million (2022: €6.0 million).

The movement in contract liabilities during the year was as follows:

	2023 €'m	2022 €'m
Balance at 1 January	6.0	8.1
Recognised during the year	8.0	8.4
Realised in profit or loss	(7.8)	(10.5)
Balance at 31 December	6.2	6.0

Note 11 – Adjusted items

Management regularly uses adjusted financial measures internally to understand, manage and evaluate the business and make operating decisions. These adjusted measures are among the primary factors management uses in planning for and forecasting future periods. The primary adjusted financial measures are Adjusted EBITDA and Adjusted Profit, which management considers are relevant in understanding the Group's financial performance. The definitions of adjusted items and underlying adjusted results are disclosed in Note 6 paragraph U.

As these are not a defined performance measure under IFRS, the Group's definition of adjusted items may not be comparable with similarly titled performance measures or disclosures by other entities.

The following tables provide a full reconciliation between adjusted and actual results from continuing operations:

For the year ended 31 December 2023	Revenue €'m	EBITDA – B2B €'m	EBITDA – B2C €'m	EBITDA €'m	Profit before tax from continuing operations €'m	Profit from continuing operations attributable to the owners of the Company €'m
Reported as actual	1,706.7	157.9	248.6	406.5	235.8	105.1
Employee stock option expenses[1]	—	5.6	0.7	6.3	6.3	6.3
Professional fees[2]	—	13.4	1.0	14.4	14.4	14.4
Impairment of investment and receivables[3]	—	5.1	—	5.1	5.1	5.1
Fair value changes and finance costs on contingent consideration[4]	—	—	—	—	3.3	3.3
Fair value changes of equity instruments[5]	—	—	—	—	6.6	6.6
Fair value change of derivative financial assets[5]	—	—	—	—	(153.4)	(153.4)
Amortisation of intangible assets on acquisitions[6]	—	—	—	—	42.6	42.6
Impairment of intangible assets[7]	—	—	—	—	89.8	89.8
Deferred tax on acquisitions[6]	—	—	—	—	—	(8.2)
Derecognition of brought forward deferred tax asset[8]	—	—	—	—	—	37.2
Tax related to uncertain positions[9]	—	—	—	—	—	8.0
Adjusted measure	1,706.7	182.0	250.3	432.3	250.5	156.8

1 Employee stock option expenses relate to non-cash expenses of the Group and differ from year to year based on share price and the number of options granted.

2 The vast majority of the professional fees relate to the acquisition of Hard Rock Digital (Note 21B) and the Caliplay disputes (Note 7). These expenses are not considered ongoing costs of operations and therefore are excluded.

3 Provision against investments and other receivables that do not relate to the ordinary operations of the Group.

4 Fair value change and finance costs on contingent consideration mostly related to the acquisition of AUS GMTC. These expenses are not considered ongoing costs of operations and therefore are excluded.

5 Fair value changes of equity instruments and derivative financial assets. These are excluded from the results as they relate to unrealised profit/loss.

6 Amortisation and deferred tax on intangible assets acquired through business combinations. Costs directly related to acquisitions are not considered ongoing costs of operations and therefore are excluded.

7 Impairment of intangible assets mainly relates to the impairment of Eyecon €7.8 million, Quickspin €9.6 million and Sports B2B €72.2 million. Refer to Note 20.

8 The reported tax expense has been adjusted for the derecognition of a deferred tax asset of €37.2 million relating to UK tax losses. This was adjusted because the losses in relation to the derecognised amount were generated over a number of years and therefore distorts the effective tax rate for the year. Refer to Notes 7, 15 and 33.

9 Change in estimates related to uncertain overseas tax positions in respect of prior years which have now been settled with the relevant tax authority.

Note 11 – Adjusted items continued

For the year ended 31 December 2022	Revenue €'m	EBITDA – B2B €'m	EBITDA – B2C €'m	EBITDA €'m	Profit before tax from continuing operations €'m	Profit from continuing operations attributable to the owners of the Company €'m
Reported as actual	1,601.8	138.4	223.9	362.3	95.6	40.6
Employee stock option expenses[1]	—	7.1	0.9	8.0	8.0	8.0
Professional fees[2]	—	15.7	—	15.7	15.7	15.7
Fair value change and finance cost on contingent consideration and redemption liability[3]	—	(4.3)	—	(4.3)	(4.2)	(4.2)
Ukraine employee support costs[4]	—	3.3	—	3.3	3.3	3.3
Onerous contract[5]	—	—	10.4	10.4	10.4	10.4
Fair value changes of equity instruments[6]	—	—	—	—	0.3	0.3
Fair value changes of derivative financial assets[6]	—	—	—	—	(6.0)	(6.0)
Fair value loss on convertible loans[7]	—	—	—	—	3.0	3.0
Amortisation of intangible assets on acquisitions[8]	—	—	—	—	42.0	42.0
Impairment of property, plant and equipment and intangible assets[9]	—	—	—	—	38.5	38.5
Loss on disposal of subsidiary[10]	—	—	—	—	8.8	8.8
Deferred tax on acquisitions[8]	—	—	—	—	—	(8.3)
Tax related to uncertain positions[11]	—	—	—	—	—	8.4
Adjusted measure	1,601.8	160.2	235.2	395.4	215.4	160.5

1 Employee stock option expenses relate to non-cash expenses of the Group and differ from year to year based on share price and the number of options granted.

2 The vast majority of the professional fees relate to the potential sale of the Group. These expenses are not considered ongoing costs of operations and therefore are excluded.

3 Fair value change and finance costs on redemption liability related to the acquisition of Statscore. These expenses are not considered ongoing costs of operations and therefore are excluded.

4 Financial support provided to the employees based in Ukraine. These expenses are not considered ongoing costs of operations and therefore are excluded.

5 One-off payment to terminate an onerous contract with a former service provider made in H1 2022. This expense is not considered an ongoing cost of operations and therefore is excluded.

6 Fair value changes of equity instruments and derivative financial assets. These are excluded from the results as they relate to unrealised profit/loss.

7 Fair value loss on convertible loans relates to Gameco. This write off is not considered an ongoing cost of operations and is excluded. Refer to Note 21B.

8 Amortisation and deferred tax on intangible assets acquired through business combinations. Costs directly related to acquisitions are not considered ongoing costs of operations and therefore are excluded.

9 Impairment of property, plant and equipment and intangible assets mainly relates to the impairment of Eyecon €13.6 million, Quickspin €7.0 million, Bingo VF €12.5 million and IGS €5.6 million.

10 Loss arising on the disposal of Statscore, previously a subsidiary of the Group. Even though Statscore was a separate CGU which was tested for impairment biannually up to the date of disposal, it didn't meet the criteria of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations of being a separate major line of business for the Group. As such, it was not presented separately as discontinued operations as at 31 December 2022. This loss is not considered an ongoing cost of operations and therefore is excluded. Refer to Note 21A.

11 Change in estimates related to uncertain overseas tax positions in respect of prior years.

The following table provides a full reconciliation between adjusted and actual tax from continuing operations:

	2023 €'m	2022 €'m
Tax on profit or loss for the year	130.7	55.0
Adjusted for:		
Deferred tax on intangible assets on acquisitions	8.2	8.3
Derecognition of brought forward deferred tax asset	(37.2)	—
Tax related to uncertain positions	(8.0)	(8.4)
Adjusted tax	93.7	54.9

Note 12 – Auditor's remuneration

	2023 €'m	2022 €'m
Group audit and Parent Company (BDO)	3.0	2.3
Audit of subsidiaries (BDO)	1.4	1.4
Audit of subsidiaries (non-BDO)	0.2	0.3
Total audit fees	4.6	4.0
Non-audit services provided by Parent Company auditor and its international member firms		
Other non-audit services	0.9	0.9
Total non-audit fees	0.9	0.9

Notes to the financial statements continued

Note 13 – Impairment of property, plant and equipment and intangible assets

	2023 €'m	2022 €'m
Reversal of impairment of property, plant and equipment (Note 18)	—	(0.2)
Impairment of intangible assets (Note 20)	89.8	38.7
	89.8	38.5

Impairment of intangible assets for 2023 mainly relates to the impairment of Eyecon €7.8 million, Quickspin €9.6 million and Sports B2B €72.2 million. Refer to Note 20.

Impairment of intangible assets for 2022 relates to the impairment of Eyecon €13.6 million, Quickspin €7.0 million, Bingo VF €12.5 million and IGS €5.6 million.

Note 14 – Finance income and costs

A. Finance income

	2023 €'m	2022 €'m
Interest income	10.0	2.4
Dividend income	0.1	—
Net foreign exchange gain	2.2	9.2
	12.3	11.6

B. Finance costs

	2023 €'m	2022 €'m
Interest on bonds	(29.5)	(35.7)
Interest on lease liability	(5.2)	(5.5)
Interest on loans and borrowings and other	(2.2)	(6.0)
Bank facility fees	(2.3)	(7.0)
Bank charges	(2.8)	(3.9)
Movement in contingent consideration	(3.3)	(0.1)
Fair value loss on convertible loans	—	(3.0)
Expected credit loss on loans receivable	(0.9)	(1.6)
	(46.2)	(62.8)
Net finance costs	(33.9)	(51.2)

Note 15 – Tax expense

	2023 €'m	2022 €'m
Current tax expense		
Income tax expense for the current year	26.4	19.3
Income tax relating to prior years[1]	16.1	9.1
Withholding tax	0.8	0.3
Total current tax expense	43.3	28.7
Deferred tax		
Origination and reversal of temporary differences	85.4	23.5
Deferred tax movements relating to prior years	1.8	8.1
Impact of changes in tax rates	0.2	(5.3)
Total deferred tax expense	87.4	26.3
Total tax expense from continuing operations	130.7	55.0

1 The majority of this relates to charges arising from the change in estimate of income tax in relation to prior years.

Note 15 – Tax expense continued

A reconciliation of the reported income tax charge of €130.7 million (2022: €55.0 million) applicable to profit before tax of €235.8 million (2022: €95.6 million) at the UK statutory income tax rate of 23.5% is as follows:

	2023 €'m	2022 €'m
Profit for the year	**105.1**	40.6
Income tax expense	**130.7**	55.0
Profit before income tax	**235.8**	95.6
Tax using the Company's domestic tax rate (23.5% in 2023 and 19% in 2022)	**55.4**	18.2
Tax effect of:		
Non-taxable fair value movements on call options	**(36.1)**	(1.1)
Tax exempt income	**—**	(4.3)
Non-deductible expenses	**35.6**	19.8
Deferred tax asset in respect of Group restructuring	**(5.2)**	(5.4)
Difference in tax rates applied in overseas jurisdictions	**1.2**	13.8
Impact of changes in tax rates	**0.2**	(5.3)
Increase in unrecognised tax losses	**24.5**	2.1
Write-down of previously recognised deferred tax assets	**37.2**	—
Adjustment in respect of previous years:		
– Deferred tax	**1.8**	8.0
– Income tax	**16.1**	9.2
Total tax expense	**130.7**	55.0

Reported tax charge

A reported tax charge of €130.7 million from continuing operations arises on a profit before income tax of €235.8 million compared to an expected charge of €55.4 million (2022: a tax charge of €55.0 million on profit before income tax of €95.6 million). The reported tax expense includes adjustments in respect of prior years relating to current tax and deferred tax of €17.9 million. The prior year adjustment in respect of current tax of €16.1 million includes an additional provision of €5.6 million relating to uncertain overseas tax positions in respect of prior years which have now been settled with the tax authorities.

The Group's effective tax rate for the current period is 55.4%. The key reasons for the differences are:

- Profits of subsidiaries located in territories where the tax rate is higher than the UK statutory tax rate, this includes Snaitech profits in Italy.
- The write-down of a deferred tax asset of €37.2 million in respect of UK tax attributes. Further details of this write-down are included in Note 7.
- Current year tax losses and excess interest not recognised for deferred tax purposes. The tax losses and excess interest mainly relate to the UK Group companies and amount to €108.3 million.
- Expenses not deductible for tax purposes including professional fees and impairment of intangible assets.

Changes in tax rates and factors affecting the future tax charge

The most significant elements of the Group's income arise in the UK where the tax rate for the current period is 23.5%. Legislation was enacted in the UK which increased the standard rate of UK corporation tax from 19% to 25% from 1 April 2023. Deferred tax balances have been calculated using the tax rates upon which the balance is expected to unwind.

The Group adopted the amendments to IAS 12 issued in May 2023, which provide a temporary mandatory exception from the requirement to recognise and disclose deferred taxes arising from enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Under these amendments, any Pillar Two taxes incurred by the Group will be accounted for as current taxes from 1 January 2024. Based on an initial analysis of the current year financial data, most territories in which the Group operates are expected to qualify for one of the safe harbour exemptions such that top-up taxes should not apply. In territories where this is not the case, there is the potential for Pillar Two taxes to apply; however, based on an initial assessment these are not expected to be significant. The Group continues to refine this assessment and analyse the future consequences of these rules and, in particular, in relation to the fair value movements as to how future fair value movements, should these arise, may impact the tax charge.

Deferred tax

The deferred tax asset and liability are measured at the enacted or substantively enacted tax rates of the respective territories which are expected to apply to the year in which the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The deferred tax balances within the financial statements reflect the increase in the UK's main corporation tax rate from 19% to 25% from 1 April 2023.

Notes to the financial statements continued

Note 16 – Earnings per share

The calculation of basic earnings per share (EPS) has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	2023		2022	
	Actual €'m	Adjusted €'m	Actual €'m	Adjusted €'m
Profit attributable to the owners of the Company	**105.1**	**156.8**	87.6	201.7
Basic (cents)	**34.7**	**51.7**	29.2	67.2
Diluted (cents)	**33.7**	**50.2**	28.1	64.7

	2023		2022	
	Actual €'m	Adjusted €'m	Actual €'m	Adjusted €'m
Profit attributable to the owners of the Company from continuing operations	**105.1**	**156.8**	40.6	160.5
Basic (cents)	**34.7**	**51.7**	13.5	53.5
Diluted (cents)	**33.7**	**50.2**	13.0	51.5

	2023		2022	
	Actual Number	Adjusted Number	Actual Number	Adjusted Number
Denominator – basic				
Weighted average number of equity shares	**303,279,998**	**303,279,998**	300,059,994	300,059,994
Denominator – diluted				
Weighted average number of equity shares	**303,279,998**	**303,279,998**	300,059,994	300,059,994
Weighted average number of option shares	**8,647,771**	**8,647,771**	11,792,385	11,792,385
Weighted average number of shares	**311,927,769**	**311,927,769**	311,852,379	311,852,379

The calculation of diluted EPS has been based on the above profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The effects of the anti-dilutive potential ordinary shares are ignored in calculating diluted EPS.

EPS for discontinued operations is disclosed in Note 9.

Note 17 – Employee benefits

Total staff costs comprise the following:

	2023 €'m	2022 €'m
Salaries and personnel-related costs	**438.2**	427.0
Cash-settled share-based payments	**0.2**	(0.3)
Equity-settled share-based payments	**6.3**	8.3
	444.7	435.0
Average number of personnel:		
Distribution	**6,868**	6,269
General and administration	**582**	538
	7,450	6,807

The Group has the following employee share option plans (ESOP) for the granting of non-transferable options to certain employees:

- the Long Term Incentive Plan 2012 (LTIP). Awards (options, conditional share awards, cash-settled awards, or a forfeitable share award) granted under this plan vest on the first day on which they become exercisable, which is typically between 18 and 36 months after grant date; and
- the Long Term Incentive Plan 2022 (LTIP22). Awards (options, conditional share awards, restricted shares, cash-settled awards) granted under this plan vest on the first day on which they become exercisable, which is typically after 36 months.

The overall term of the ESOP is ten years. These options are settled in equity or cash once exercised. Option prices are denominated in GBP.

Note 17 – Employee benefits continued

During 2023 the Group granted 3,023,945 nil cost options under its LTIP22 which are subject to EPS growth, relative total shareholder return (TSR) against constituents of the FTSE 250 but excluding the investment trusts index, and relative TSR against a sector comparator group of peer companies. The fair value per share according to the Monte Carlo simulation model is between £3.84 and £5.85. Inputs used were as follows:

Expected life (years)	Share price at grant date	Dividend yield	Risk-free rate	Projection period (years)	Volatility
3	£5.85	Nil	3.78%	3	36%-46%

During 2022 the Group granted 492,765 nil cost options under its LTIP22 which are subject to EPS growth, relative total shareholder return (TSR) against constituents of the FTSE 250 but excluding the investment trusts index, and relative TSR against a sector comparator group of peer companies. The fair value per share according to the Monte Carlo simulation model is between £2.71 and £4.58. Inputs used were as follows:

Expected life (years)	Share price at grant date	Dividend yield	Risk-free rate	Projection period (years)	Volatility
3	£4.58	Nil	2.34%	3	41%-49%

At 31 December 2023 and 2022 the following options were outstanding:

	2023 Number	2022 Number
Shares vested on 1 March 2018 at nil cost	72,596	72,596
Shares vested between 1 September 2016 and 1 March 2018 at nil cost	12,411	20,890
Shares vested on 1 March 2019 at nil cost	21,820	21,820
Shares vested between 1 September 2017 and 1 March 2019 at nil cost	23,344	39,021
Shares vested on 21 December 2019 at nil cost	9,779	9,779
Shares vested on 1 March 2020 at nil cost	77,326	98,444
Shares vested on 1 March 2021 at nil cost	612,618	1,047,782
Shares vested between 1 March 2022 and 1 August 2022 at nil cost	1,260,489	2,218,735
Shares will vest by 19 December 2024 at nil cost	1,400,000	1,900,000
Shares vested between 1 March 2023 and 26 October 2023 at nil cost	3,323,693	6,392,073
Shares will vest by 18 August 2025 at nil cost	351,724	351,724
Shares will vest by 5 May 2026 at nil cost	3,012,659	—
	10,178,459	12,172,864

The total number of shares exercisable as of 31 December 2023 is 6,114,076 (2022: 4,729,067).

The total number of outstanding shares that will be cash settled is 570,545 (2022: 561,385). The total liability outstanding for the cash-settled options is €2.2 million (2022: €3.1 million).

The following table illustrates the number and weighted average exercise prices of share options for the ESOP.

	2023 Number of options	2022 Number of options	2023 Weighted average exercise price	2022 Weighted average exercise price
Outstanding at the beginning of the year	12,172,864	13,882,774	—	—
Granted	3,023,945	492,765	—	—
Forfeited	(1,137,717)	(408,237)	—	—
Exercised	(3,880,633)	(1,794,438)	—	—
Outstanding at the end of the year	10,178,459	12,172,864	—	—

Included in the number of options exercised during the year are 176,142 options (2022: 50,448) which were cash settled.

The weighted average share price at the date of exercise of options was £5.39 (2022: £5.30).

Notes to the financial statements continued

Note 17 – Employee benefits continued

Share options outstanding at the end of the year have the following exercise prices:

Expiry date	Exercise price	2023 Number	2022 Number
21 December 2025	Nil	85,007	93,486
Between 21 December 2026 and 31 December 2026	Nil	54,943	70,620
Between 1 March 2027 and 28 June 2027	Nil	77,326	98,444
23 July 2028	Nil	609,607	1,044,771
Between 27 February 2029 and 19 December 2029	Nil	2,663,500	4,121,746
Between 17 July 2030 and 26 October 2030	Nil	3,323,693	6,392,073
18 August 2032	Nil	351,724	351,724
5 May 2033	Nil	3,012,659	—
		10,178,459	12,172,864

Note 18 – Property, plant and equipment

	Computer software and hardware €'m	Gaming machines €'m	Office furniture and equipment €'m	Buildings, leasehold buildings and improvements €'m	Total €'m
Cost					
At 1 January 2023	142.5	115.2	49.0	274.4	581.1
Additions	19.5	23.1	6.2	8.8	57.6
Acquisitions through business combinations	—	0.1	0.1	—	0.2
Disposals	(6.2)	(2.8)	(1.1)	(3.8)	(13.9)
Reclassifications	—	1.9	(1.9)	—	—
Foreign exchange movement	(2.4)	—	(0.9)	(0.7)	(4.0)
At 31 December 2023	153.4	137.5	51.4	278.7	621.0
Accumulated depreciation and impairment losses					
At 1 January 2023	104.1	78.0	28.2	29.4	239.7
Charge	17.5	16.1	6.1	6.8	46.5
Disposals	(6.1)	(2.6)	(0.7)	(3.6)	(13.0)
Reclassifications	—	1.9	(1.9)	—	—
Foreign exchange movement	(1.4)	—	(0.4)	(0.6)	(2.4)
At 31 December 2023	114.1	93.4	31.3	32.0	270.8
Net book value					
At 31 December 2023	39.3	44.1	20.1	246.7	350.2
At 1 January 2023	38.4	37.2	20.8	245.0	341.4

Note 18 – Property, plant and equipment continued

	Computer software and hardware €'m	Gaming machines €'m	Office furniture and equipment €'m	Buildings, leasehold buildings and improvements €'m	Total €'m
Cost					
At 1 January 2022	132.1	96.2	41.1	270.1	539.5
Prior year adjustment	(2.8)	5.5	1.1	(1.4)	2.4
Adjusted balance at 1 January 2022[1]	129.3	101.7	42.2	268.7	541.9
Additions	19.8	15.8	8.8	9.2	53.6
Disposals	(6.3)	(2.3)	(2.0)	(3.8)	(14.4)
Reclassifications	(0.3)	—	—	0.3	—
At 31 December 2022	142.5	115.2	49.0	274.4	581.1
Accumulated depreciation and impairment losses					
At 1 January 2022	95.3	61.4	24.5	28.6	209.8
Prior year adjustment	(1.1)	4.1	0.4	(1.0)	2.4
Adjusted balance at 1 January 2022[1]	94.2	65.5	24.9	27.6	212.2
Charge	16.0	14.5	5.4	5.6	41.5
Impairment loss	—	—	(0.2)	—	(0.2)
Disposals	(6.1)	(2.0)	(1.9)	(3.8)	(13.8)
At 31 December 2022	104.1	78.0	28.2	29.4	239.7
Net book value					
At 31 December 2022	38.4	37.2	20.8	245.0	341.4
At 1 January 2022[1]	35.1	36.2	17.3	241.1	329.7

1 The comparative opening cost and accumulated depreciation at 1 January 2022 on each class of property, plant and equipment were restated to correct legacy classification errors. The overall correction resulted in a total increase in the opening cost of property, plant and equipment of €2.4 million, with the same increase in total accumulated depreciation on 1 January 2022. There was no impact to the total net book value of the property, plant and equipment both at 1 January 2022 and 31 December 2022.

Notes to the financial statements continued

Note 19 – Leases

Set out below are the carrying amounts of right of use assets recognised and the movements during the year:

	Office leases €'m	Hosting €'m	Machinery rentals €'m	Total €'m
At 1 January 2023	60.5	11.1	—	71.6
Additions/modifications	14.2	6.8	1.4	22.4
On business combinations	1.9	—	—	1.9
Amortisation charge	(15.1)	(7.8)	(0.4)	(23.3)
Foreign exchange movement	(1.6)	—	—	(1.6)
At 31 December 2023	59.9	10.1	1.0	71.0

	Office leases €'m	Hosting €'m	Total €'m
At 1 January 2022	67.8	6.0	73.8
Additions/modifications	7.4	12.1	19.5
Disposal of subsidiary	(0.2)	—	(0.2)
Amortisation charge	(14.5)	(7.0)	(21.5)
At 31 December 2022	60.5	11.1	71.6

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 €'m	2022 €'m
At 1 January	85.8	90.1
Additions/modifications	22.0	18.8
On business combinations	1.9	—
Disposal of subsidiary	—	(0.2)
Accretion of interest	5.2	5.5
Payments	(28.3)	(27.1)
Foreign exchange movement	0.2	(1.3)
At 31 December	86.8	85.8
Current	24.9	31.8
Non-current	61.9	54.0
	86.8	85.8

The maturity analysis of lease liabilities is disclosed in Note 39B.

The following are the amounts recognised in profit or loss:

	2023 €'m	2022 €'m
Amortisation expense of right of use assets	23.3	21.5
Interest expense on lease liabilities	5.2	5.5
Impact of early termination of lease contracts	(0.4)	(0.7)
Variable lease payments (included in distribution costs)	—	0.1
	28.1	26.4

Note 20 – Intangible assets

	Patents, domain names and licence €'m	Technology IP €'m	Development costs €'m	Customer list and affiliates €'m	Goodwill €'m	Total €'m
Cost						
At 1 January 2023	**222.4**	**79.7**	**428.4**	**523.5**	**676.6**	**1,930.6**
Additions	**51.0**	**—**	**58.4**	**—**	**—**	**109.4**
Assets acquired through business combinations[1]	**0.4**	**—**	**—**	**3.0**	**4.2**	**7.6**
Disposal	**(0.2)**	**—**	**(3.4)**	**—**	**(0.4)**	**(4.0)**
Foreign exchange movement	**(0.4)**	**—**	**—**	**—**	**—**	**(0.4)**
At 31 December 2023	**273.2**	**79.7**	**483.4**	**526.5**	**680.4**	**2,043.2**
Accumulated amortisation and impairment losses						
At 1 January 2023	**133.8**	**72.4**	**300.3**	**376.4**	**66.8**	**949.7**
Charge	**43.5**	**3.0**	**49.4**	**30.8**	**—**	**126.7**
Impairment loss	**0.4**	**—**	**3.6**	**0.8**	**85.0**	**89.8**
Disposals	**—**	**—**	**(3.4)**	**—**	**(0.4)**	**(3.8)**
Foreign exchange movement	**(0.4)**	**—**	**—**	**—**	**—**	**(0.4)**
At 31 December 2023	**177.3**	**75.4**	**349.9**	**408.0**	**151.4**	**1,162.0**
Net book value						
At 31 December 2023	**95.9**	**4.3**	**133.5**	**118.5**	**529.0**	**881.2**
At 1 January 2023	**88.6**	**7.3**	**128.1**	**147.1**	**609.8**	**980.9**

	Patents, domain names and licence €'m	Technology IP €'m	Development costs €'m	Customer list and affiliates €'m	Goodwill €'m	Total €'m
Cost						
At 1 January 2022	191.4	86.5	363.6	526.9	773.6	1,942.0
Prior year adjustment[2]	(1.2)	(4.9)	11.1	(2.9)	(90.0)	(87.9)
Adjusted balance at 1 January 2022	190.2	81.6	374.7	524.0	683.6	1,854.1
Additions	32.2	—	59.4	—	—	91.6
Assets acquired through business combinations	—	2.9	—	—	5.4	8.3
Disposal of subsidiary	—	(3.0)	(1.4)	(0.5)	(12.4)	(17.3)
Write offs	—	(1.8)	(4.3)	—	—	(6.1)
At 31 December 2022	222.4	79.7	428.4	523.5	676.6	1,930.6
Accumulated amortisation and impairment losses						
At 1 January 2022	110.6	72.7	241.3	346.2	125.1	895.9
Prior year adjustment[2]	(1.1)	(0.5)	6.2	(2.5)	(90.0)	(87.9)
Adjusted balance at 1 January 2022	109.5	72.2	247.5	343.7	35.1	808.0
Charge	24.3	2.9	49.7	32.9	—	109.8
Impairment loss	—	—	7.0	—	31.7	38.7
Disposal of subsidiary	—	(0.9)	—	(0.2)	—	(1.1)
Write offs	—	(1.8)	(3.9)	—	—	(5.7)
At 31 December 2022	133.8	72.4	300.3	376.4	66.8	949.7
Net book value						
At 31 December 2022	88.6	7.3	128.1	147.1	609.8	980.9
At 1 January 2022[2]	80.7	9.4	127.2	180.3	648.5	1,046.1

1 During the year, the Group acquired the Giove group for a total consideration of €6.0 million. As a result of this transaction, the Group recognised €7.3 million as the fair value of the intangible assets, of which €3.9 million is goodwill.

2 The comparative opening cost and accumulated amortisation at 1 January 2022 on each class of intangible assets were restated to correct legacy errors principally arising on disposal of the Financials CGU, when it was reclassified as held for sale in the year ended 31 December 2020. There was no impact to the net book value of the intangible assets both at 1 January 2022 and 31 December 2022.

Notes to the financial statements continued

Note 20 – Intangible assets continued

During the year, the research and development costs net of capitalised development costs were €101.2 million (2022: €88.3 million). The internal capitalisation for the year was €56.7 million (2022: €57.5 million).

Out of the total amortisation charge of €126.7 million (2022: €109.8 million), an amount of €42.6 million (2022: €42.0 million) relates to the intangible assets acquired through business combinations.

In accordance with IAS 36, the Group regularly monitors the carrying value of its intangible assets, including goodwill. Goodwill is allocated to 13 cash-generating units (CGUs) (2022: 13).

The allocation of the goodwill to CGUs is as follows:

	2023 €'m	2022 €'m
Snai	**263.4**	259.7
AUS GMTC	**4.4**	4.4
Bingo retail	**9.5**	9.5
Casino	**50.8**	50.8
Poker	**15.6**	15.6
Eyecon	**—**	3.0
Quickspin	**10.2**	19.8
Sports B2B	**60.3**	132.5
VB retail	**4.6**	4.6
Services	**109.9**	109.9
Sports B2C	**0.3**	—
	529.0	609.8

Management reviews CGUs for impairment bi-annually with a detailed assessment of each CGU carried out annually and whenever there is an indication that a unit may be impaired. During the annual detailed review, the recoverable amount of each CGU is determined from value in use calculations based on cash flow projections covering five years (using the Board approved three year plan along with a remaining two-year forecasted period) plus a terminal value which have been adjusted to take into account each CGU's major events as expected in future periods. A potential risk for future impairment exists should there be a significant change in the economic outlook versus those trends management anticipates in its forecasts due to the occurrence of these events.

With the exception of CGUs which have been fully impaired to date and CGUs deemed sensitive to impairment from a reasonably possible change in key assumptions as reviewed in further detail below, management has used the Group's three-year plan, however extended it to five years and calculated the growth estimates for years one to five by applying an average annual growth rate for revenue based on the underlying economic environment in which the CGU operates and the expected performance over that period. Beyond this period, management has applied an annual growth rate of 2.0%. Management has included appropriate capital expenditure requirements to support the forecast growth and assumed the maintenance of the current level of licences. Management has also applied post-tax discount rates to the cash flow projections as summarised below.

2023 CGUs not sensitive to changes in assumptions:

	Average revenue growth rate 2024-2028	Discount rate applied
Snai	3.1%	15.2%
AUS GMTC	15.8%	13.1%
Bingo retail	4.9%	13.8%
Casino	4.7%	13.1%
Poker	4.0%	14.9%

2022 CGUs not sensitive to changes in assumptions:

	Average revenue growth rate 2023-2027	Discount rate applied
Snai	9.4%	17.3%
Services	22.2%	16.2%
Casino	5.5%	13.9%
Poker	6.2%	17.4%
VB retail	10.0%	12.4%

In relation to the Eyecon, Quickspin and Sports B2B CGUs, following impairment tests completed as at 31 December 2023, impairments have been recognised as disclosed below. Certain other CGUs, which are specifically referred to below but not impaired, are considered sensitive to changes in assumptions used for the calculation of value in use.

Note 20 – Intangible assets continued

Eyecon CGU

The Eyecon CGU underperformed in 2022, mainly due to the fact that its operations are highly concentrated in the UK online market which has seen a slowdown due to the uncertain regulatory climate, with an impairment loss of €13.6 million recognised in the year ended 31 December 2022. Even though the unit is making considerable efforts to expand to new markets, this has yet to take effect. As a result, it continues to see declining revenues and has been unable to meet budgets set, which led to a further impairment of €7.8 million recognised in the current year, which impairs the assets down to the recoverable amount. The impairment is writing down €3.0 million of goodwill, €0.4 million of brands, €0.8 million of customer lists and €3.6 million of development costs. The recoverable amount of this CGU of €9.7 million, with a carrying value equal to €17.5 million (pre-impairment) at 31 December 2023, was determined using a cash flow forecast that includes annual revenue growth rates between 2.0% and 11.0% over the one to five-year forecast period (2022: annual revenue growth rates between 0% and 10.0%), 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 15.1% (2022: post-tax discount rate of 15.6%). Following the impairment posted, all assets have been impaired down to the recoverable amount.

Quickspin CGU

The recoverable amount of the Quickspin CGU was impaired in 2022 by €7.0 million, given the risk the CGU bore from the proportion of revenues being generated from the Group's B2B customers choosing to operate in areas with geopolitical tension and the overall decrease in the CGU performance which went through organisational updates. The unit is still going through a transitional period and has seen a decline in revenue in the last three years, which led to an additional €9.6 million impairment being recognised in the current year. The recoverable amount of this CGU of €32.1 million, with a carrying value of €41.7 million (pre-impairment) at 31 December 2023, has been determined using a cash flow forecast that includes annual revenue growth rates between 5.0% and 7.2% over the one to five-year forecast period (2022: annual revenue growth rates between 5.0% and 15.1%), 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 12.4% (2022: post-tax discount rate of 12.1%).

If the revenue growth rate per annum is lower by 1%, then an additional impairment of €6.2 million would be recognised. Similarly, if the discount rate increases by 1.0% to a post-tax discount rate of 13.4%, this would result in a further impairment of €2.9 million.

Sports B2B CGU

The recoverable amount of the Sports B2B CGU, with a carrying value of €236.2 million, has been determined using a cash flow forecast that includes annual revenue growth rates ranging from a decline of 20.0% to an increase of 15.0%, over the one to five-year forecast period (2022: annual revenue growth rates between negative 6.1% and 20.0% positive), a 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 13.7% (2022: post-tax discount rate of 14.9%). As a result of two major retail licensees terminating their contracts during the current year, the recoverable amount of €164.0 million does not exceed the carrying value as stated above (pre-impairment) and therefore an impairment loss of €72.2 million was recognised in the year ended 31 December 2023.

If the revenue growth rate per annum is lower by 1.0%, then an additional impairment of €20.2 million would be recognised. Similarly, if the discount rate increases by 1.0% to a post-tax discount rate of 14.7%, this would result in a further impairment of €16.4 million.

Bingo VF CGU

The recoverable amount of the Bingo VF CGU was impaired by €12.5 million during the year ended 31 December 2022 as a result of a contract termination with a significant licensee and also the decrease in the CGU's performance. Since last year the CGU has started to generate organic growth by expanding into new geographies. No further impairment has been recognised in the current year. The recoverable amount of the CGU of €12.9 million, with a carrying value of €12.6 million, has been determined using a cash flow forecast that includes annual revenue growth rates between 9.0% and 10.0% over the one to five-year forecast period (2022: annual revenue growth rates between negative 1.0% and positive 10.0%), a 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 15.1% (2022: post-tax discount rate of 15.8%). The recoverable amount would equal the carrying value of the CGU if:

- the discount rate applied reached a post-tax discount rate of 15.4%. If the discount rate increases by 1.0% to a post-tax discount rate of 16.1%, this would result in an impairment of €0.9 million; or
- the revenue growth was lower by 0.1% when compared to the forecasted average five-year growth. If the revenue growth was lower by 1.0% when compared to the forecasted average five-year growth, this would cause an impairment of €4.1 million.

VB Retail CGU

The recoverable amount of the VB Retail CGU showed signs of underperformance during H1 2023, mainly due to the cancellation of an important licensee deal that had been expected to launch in early 2023. Given that new opportunities are arising through the US business, no impairment has been recognised as at 31 December 2023. The recoverable amount of this CGU of €31.9 million, with a carrying value of €25.2 million at 31 December 2023, has been determined using a cash flow forecast that includes annual revenue growth rates between 8.0% and 13.0% over the one to five-year forecast period (2022: annual revenue growth rates between 8.0% and 18.0%), 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 12.7% (2022: post-tax discount rate of 12.4%). The recoverable amount would equal the carrying value of the CGU if:

- the discount rate applied was higher by 20.7%, i.e. reaching a post-tax discount rate of 15.3%; or
- the revenue growth was lower by 2.2% when compared to the forecasted average five-year growth.

Notes to the financial statements continued

Note 20 – Intangible assets continued

Services CGU

The recoverable amount of the Services CGU, with a carrying value of €283.9 million, which has not been impaired, has been determined using a cash flow forecast that includes annual revenue growth rates ranging from negative 7.0% and positive 6.2% over the one to five-year forecast period (2022: annual revenue growth rates between 5.0% and 38.0%), a 2.0% long-term growth rate (2022: 2.0% long-term growth rate) and a post-tax discount rate of 18.3% (2022: post-tax discount rate of 16.2%).

The recoverable amount would equal the carrying value of the CGU if:

- the discount rate applied was higher by 41.4%, i.e. reaching a post-tax discount rate of 25.9%; or
- the revenue growth was lower by 4.5% when compared to the forecasted average five-year growth.

General

Whilst our current contract with Caliplay under which we are entitled to receive our fees (including the B2B licensee fees and the additional B2B services fees) is expiring in 2034, and this was our base assumption in our CGU impairment reviews, should there be material changes to the cash flows arising from the contract this could potentially lead to impairments in certain CGUs of the Group including Casino, Sports B2B, Services, Quickspin and Eyecon. However, given the headroom in the Casino CGU and relatively low levels of goodwill, there would need to be a number of other factors impacting the CGU before an impairment is apparent, and hence it is not considered sensitive and the additional disclosures given for the other more sensitive CGUs are not required for this CGU.

Note 21 – Investments and derivative financial assets

Introduction

Below is a breakdown of the relevant assets at 31 December 2023 and 2022 per the consolidated balance sheet:

	2023 €'m	2022 €'m
A. Investments in associates	**51.5**	36.6
B. Other investments	**92.8**	9.2
C. Derivative financial assets	**827.8**	636.4
	972.1	682.2

The following are the amounts recognised in the statement of comprehensive income:

	2023 €'m	2022 €'m
Profit or loss		
A. Share of loss from associates	**(0.8)**	(3.8)
B. Unrealised fair value changes of equity investments	**(6.6)**	(0.3)
C. Unrealised fair value changes of derivative financial assets	**153.4**	6.0
Other comprehensive income		
Foreign exchange movement from the derivative call options and equity investments held in non-Euro functional currency subsidiaries	**(5.9)**	6.8
	140.1	8.7

Where the underlying derivative call option and equity investments are held in a non-Euro functional currency entity, the foreign exchange movement is recorded through other comprehensive income. As at 31 December 2023, the foreign exchange movement of the derivative call options held in Caliplay, LSports and NorthStar (Note 21C) is recorded in profit or loss as these options are held in Euro functional currency entities. The foreign exchange movement of the derivative call options held in Wplay, Onjoc and Tenbet and the small minority equity investment in Hard Rock Digital are recorded through other comprehensive income as these are held in USD functional currency entities.

The recognition and valuation methodologies for each category are explained in each of the relevant sections below, including key judgements made under each arrangement as described in Note 7.

Note 21 – Investments and derivative financial assets continued

A. Investments in associates

Balance sheet

	2023 €'m	2022 €'m
Caliplay	—	—
ALFEA SPA	1.7	1.7
Galera	—	—
LSports	35.2	34.9
Stats International	—	—
NorthStar	9.0	—
Sporting News Holdings Limited	5.6	—
Total investment in equity accounted associates	**51.5**	36.6

Profit and loss impact

	2023 €'m	2022 €'m
Share of profit in ALFEA SPA	0.1	0.1
Share of loss in Galera	—	(3.6)
Share of profit/(loss) in LSports	2.1	(0.3)
Share of loss in NorthStar	(2.8)	—
Share of loss in Sporting News Holdings Limited	(0.2)	—
Total profit and loss impact	**(0.8)**	(3.8)

Movement on the balance sheet

	ALFEA SPA €'m	LSports €'m	NorthStar €'m	Sporting News Holdings Limited €'m	Total €'m
Balance as at 31 December 2022/1 January 2023	1.7	34.9	—	—	36.6
Additions	—	—	3.4	5.8	9.2
Conversion of convertible loan to shares	—	—	8.4	—	8.4
Share of profit/(loss)	0.1	2.1	(2.8)	(0.2)	(0.8)
Dividend income	(0.1)	(1.8)	—	—	(1.9)
Balance as at 31 December 2023	1.7	35.2	9.0	5.6	51.5

Caliplay

Background

During 2014, the Group entered into an agreement with Turística Akalli, S. A. de C.V, which has since changed its name to Corporacion Caliente S.A. de C.V. ("Caliente"), the majority owner of Tecnologia en Entretenimiento Caliplay, S.A.P.I. de C.V ("Caliplay"), which is a leading online betting and gaming operator in Mexico which operates the "Caliente" brand in Mexico.

The Group made a €16.8 million loan to September Holdings B.V. (previously the 49% shareholder of Caliplay), a company which is 100% owned by Caliente, in return for a call option that would grant the Group the right to acquire 49% of the economic interest of Caliplay for a nominal amount (the "Playtech Call Option").

During 2021, Caliplay redeemed its share at par from September Holdings, which resulted in Caliente owning substantially all of the shares in Caliplay. The terms of the existing structured agreement were varied, with the following key changes:

- A new additional option (in addition to the Playtech Call Option) was granted to the Group which allowed the Group to take up to a 49% equity interest in a new acquisition vehicle should Caliplay be subject to a corporate transaction – this additional option is only exercisable in connection with a corporate transaction and therefore was not exercisable at 31 December 2023 or 31 December 2022 (the "Playtech M&A Call Option").
- Caliente received a put option which would require Playtech to acquire September Holding Company B.V. for a nominal amount (the "September Put Option"). This option has been exercised and the parties are in the process of transferring legal ownership of September Holding Company B.V. to the Group.

The Group has no equity holding in Caliplay and is currently providing services to Caliplay including technical and general strategic support services for which it receives income (including an additional B2B services fee as described in Note 10). If either the Playtech Call Option or the Playtech M&A Call Option is exercised, the Group would no longer be entitled to receive the additional B2B services fee (and will cease to provide certain related services) which for the year ended 31 December 2023 was €111.7 million (2022: €66.3 million). In addition, for 45 days after the finalisation of Caliplay's 2021 accounts, Caliplay also had an option to redeem the Group's additional B2B services fee or (if the Playtech Call Option had been exercised at that time) Caliente would have the option to acquire Playtech's 49% stake in Caliplay (together the "Caliente Call Option").

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Caliplay continued

Background continued

As per the public announcement made by the Group on 6 February 2023, the Group is seeking a declaration from the English Courts to obtain clarification on a point of disagreement between the parties in relation to the Caliente Call Option. The Group believes the Caliente Call Option has expired and referred to its expiry having taken place in its interim report for the six-month period ended 30 June 2022, which was published on 22 September 2022. If the Caliente Call Option was declared as being exercisable and was exercised, this would extinguish the Playtech Call Option and the Playtech M&A Call Option. The Group has not changed its position with regard to this assumption and the matter is still unresolved with the English litigation still ongoing.

In addition to the above, from 1 January 2025, if there is a change of control of Caliplay or any member of the Caliente group which holds a regulatory permit under which Caliplay operates, each of the Group and Caliente shall be entitled (but not obligated), within 60 days of the time of such change of control, to require that the Caliente group redeems the Group's additional B2B services fee or (if the Playtech Call Option had been exercised at that time) acquires Playtech's 49% stake in Caliplay (together the "COC Option"). If such change of control were to take place and the right to redeem/acquire were to occur, this would extinguish the Playtech Call Option (to the extent not exercised prior thereto) and the Playtech M&A Call Option. As regards the COC Option, the Group made a judgement that as at 31 December 2022 this had no impact on the fair value calculation of the Playtech M&A Call Option (i.e. allocated a 0% probability that Playtech would realise any value from the exercise of the COC Option). As at 31 December 2023, the Group allocated a low probability that it would realise value from this option, instead of the Playtech M&A Call Option. This is discussed further in part C of this Note.

Assessment of control and significant influence

As at 31 December 2023 and 2022 it was assessed that the Group did not have control over Caliplay, because it does not meet the criteria of IFRS 10 Consolidated Financial Statements, paragraph 7 due to the following:

- Despite the Group previously having a nominated director on the Caliplay board in 2020 and having consent rights on certain decisions (in each case, removed in 2021), there was no ability to control the relevant activities.
- The Playtech Call Option or the Playtech M&A Call Option, if exercised, would result in Playtech having up to 49% of the voting rights and would not result in Playtech having control.
- Whilst the Group does receive variable returns from its structured agreement, it does not have the power to direct relevant activities so any variation cannot arise from such a power.

As at 31 December 2023 and 2022, the Group has significant influence over Caliplay because it meets one or more of the criteria under IAS 28, paragraph 6 as follows:

- The standard operator revenue by itself is not considered to give rise to significant influence; however, when combined with the additional B2B services fee, this is an indicator of significant influence.
- The material transaction of the historical loan funding is also an indicator of significant influence.

Accounting for each of the options

The Playtech Call Option was exercisable at 31 December 2023 and 2022, although it still has not been exercised. As the Group has significant influence and the option is exercisable, the investment is recognised as an investment in associate using the equity accounting method which includes having current access to profits and losses. The cost of the investment was previously deemed to be the loan given through September Holdings of €16.8 million, which at the time was assessed under IAS 28, paragraph 38 as not recoverable for the foreseeable future and part of the overall investment in the entity.

In 2021, with the introduction of the September Put Option, the investment in associate relating to the original Playtech Call Option was reduced to zero and the €16.8 million original loan amount was determined by management to be the cost of the new Playtech M&A Call option and therefore fully offset the balance of €16.8 million against the overall fair value movement of the Playtech M&A Call Option (refer to part C of this Note).

The Playtech M&A Call Option is not currently exercisable and therefore in accordance with IAS 28, paragraph 14 has been recognised as derivative financial asset, and disclosed separately under part C of this Note.

As per the judgement in Note 7, the Group did not consider it appropriate to equity account for the share of profits as the current 100% shareholder is entitled to any undistributed profits.

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Caliplay continued

Accounting for each of the options continued

Below is the financial information of Caliplay:

	31 December 2022[1,2] €'m
Current assets	96.7
Non-current assets	30.3
Current liabilities	(78.1)
Non-current liabilities	—
Equity	48.9
Revenue	532.1
Profit from continuing operations	30.4
Other comprehensive income, net of tax	2.5
Total comprehensive income	32.9

1 The 2022 balances above have been extracted from Caliplay's draft 2022 financial statements.

2 The Group has been unable to obtain the full 2023 financial information from Caliplay. However, based on information provided by Caliplay, the estimated revenue is €700.4 million and estimated profit from continuing operations before tax (which takes account of the deduction of the Group's unpaid B2B licensee fees and additional B2B services fees) is €80.0 million.

Investment in ALFEA SPA

The Group has held 30.7% equity shares in ALFEA SPA since June 2018. At 31 December 2023, the Group's value of the investment in ALFEA SPA was €1.7 million (2022: €1.7 million). A share of profit of €0.1 million was recognised in profit or loss for the year ended 31 December 2023 (2022: a share of profit of €0.1 million was recognised in profit or loss).

Investment in Galera

In June 2021, the Group entered into an agreement with Ocean 88 Holdings Ltd (Ocean 88) which is the sole holder of Galera Gaming Group (together "Galera"), a company registered in Brazil. Galera offers and operates online and mobile sports betting and gaming (poker, casino, etc.) in Brazil. They will continue to do so under the local regulatory licence, when this becomes available, and will expand to other gaming and gambling products based on the local licence conditions.

The Group's total consideration paid for the investment in Galera was $5.0 million (€4.2 million) in the year ended 31 December 2021, which was the consideration for the option to subscribe and purchase from Galera an amount of shares equal to 40% in Galera at nominal price.

In addition to the investment amount paid, Playtech made available to Galera a line of credit up to $20.0 million. In 2022, an amendment was signed to the original framework agreement to increase the credit line to $45.0 million. As at 31 December 2023, an amount of €39.2 million, which is included in loans receivable under other non-current assets (refer to Note 22), has been drawn down (2022: €26.9 million). An amount of €12.3 million has been loaned in the year ended 31 December 2023. The loan is required to be repaid to Playtech prior to any dividend distribution to the current shareholders of Galera. The Group recognised an allowance for expected credit losses for the loan to Galera of €1.6 million at 31 December 2023 (2022: €1.1 million).

In respect of the loan receivable from Galera, even though the framework agreement does not state a set repayment term, management has assessed that this should still be recognised as a loan as opposed to part of the overall investment in associate in line with IAS 28. The Directors have made a judgement that the loan will be settled from operational cash flows as opposed to being settled as part of an overall transaction. If the Group had determined that the loan was part of the overall investment in associate, an additional cumulative €17.3 million share of loss of associate would have been recorded in retained earnings since the investment was made, of which €3.6 million would have been recognised in 2023 in the profit or loss (2022: if the Group had determined that the loan was part of the overall investment in associate, an additional cumulative €13.7 million share of loss of associate would have been recorded in retained earnings since the investment was made, of which €11.6 million would have been recognised in 2022 in profit or loss).

On 31 October 2023, Ocean 88 acquired 60% of F12.bet. Playtech has loaned Ocean 88 the amount of $10.1 million (€9.5 million) for the acquisition of F12.bet which is included in loans receivable from related parties (refer to Note 22). The loan is repayable within five years from the disbursement date. The Group recognised an allowance for expected credit losses for the additional loan to Galera of €0.4 million as at 31 December 2023 (2022: €Nil).

Playtech has assessed whether it holds power to control Galera and it was concluded that this is not the case. Even if the option is exercised, it would only result in a 40% voting right over the operating entity and therefore no control.

Under the agreement in place:

- the standard operator income to be generated from services provided to Galera when combined with the additional B2B services fee, the loan and certain other contractual rights, are all indicators of significant influence; and
- the Group provides standard B2B services (similar to services provided to other B2B customers) as well as additional services to Galera that Galera requires to assist it in successfully running its operations, which could be considered essential technical information.

Considering the above factors, the Group has significant influence under IAS 28, paragraph 6 over Galera.

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Investment in Galera continued

As the option is currently exercisable and gives Playtech access to the returns associated with the ownership interest, the investment is treated as an investment in associate. Playtech's interest in Galera is accounted for using the equity method in the consolidated financial statements. Galera is currently loss-making. If the call option is exercised by Playtech, the Group will no longer provide certain services and as such will no longer be entitled to the additional B2B services fee. The additional B2B services fee was €Nil in the year ended 31 December 2023 (2022: €Nil).

The cost of the investment was deemed to be the price paid for the option of $5.0 million (€4.2 million), which was reduced to €Nil through the recognition of the Group's share of losses.

Investment in LSports

Background

In November 2022, the Group entered into the following transactions:

- acquisition of 15% of Statscore for a total consideration of €1.8 million. As a result of this transaction Statscore became a 100% subsidiary of the Group;
- disposal of 100% of Statscore to LSports Data Ltd ("LSports") for a total consideration of €7.5 million (settled through the acquisition of LSports in shares) less a novated inter-company loan of €1.6 million, therefore a non-cash net consideration of €5.9 million; and
- acquisition of 31% of LSports for a total consideration of €36.7 million, which also included an option to acquire further shares (up to 18.11%) in LSports. Of the total consideration, €29.2 million was paid in cash with the balance offset against the disposal proceeds of Statscore as per the above.

As a result of the disposal of 100% of Statscore, the Group realised a loss of €8.8 million which has been recognised in profit or loss for the year ended 31 December 2022 and is made up as follows:

	2022 €'m
Net asset position as at the date of the disposal (including goodwill of €12.4 million)	14.7
Net consideration	(5.9)
Loss on disposal	8.8

Furthermore, the Group has an option to acquire up to 49% (so an additional 18%) of the equity of LSports ("LSports Option"). The LSports Option is exercisable under the following conditions:

- within 90 days from the date of receipt of the LSports audited financial statements for each of the years ending 31 December 2024, 2025 and 2026; or
- at any time until 31 December 2026 subject and immediately prior to the consummation of an Initial Public Offering or Merger & Acquisition event of LSports.

The exercise price of the option will be equal to the product of:

i. the % of the aggregate shares purchased upon exercise of the PT option out of all shares of the company multiplied by

ii. the greater of either:

   a. LSports EBITDA preceding the time of exercise as reflected in the company's annual audited financial statements for that year, multiplied by a factor of 7; or

   b. €115 million.

The fair value of the option acquired was €1.4 million, which was part of the total consideration of €36.7 million. As at 31 December 2023, the fair value of the LSports derivative financial asset increased to €4.8 million. The difference of €3.4 million between the fair value at 31 December 2023 and the fair value at 31 December 2022 has been recognised in profit or loss for the year ended 31 December 2023 (refer to part of Note 21C).

LSports is a company whose principal activity is to empower sportsbooks and media companies with the highest quality sports data on a wide range of events, so they can build the best product possible for their business. The company is based in Israel. The principal reason of the acquisition is the attractive opportunity considered by Playtech to increase its footprint in the growing sports data market segment.

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Investment in LSports continued

Assessment of control and significant influence

As at the date of acquisition, 31 December 2023 and 2022, it was assessed that the Group did not have control over LSports, because it does not meet the criteria of IFRS 10 Consolidated Financial Statements, paragraph 7 due to the following:

- despite the appointment and representation on the board of directors by a Playtech employee as at 31 December 2023, there is still no ability to control the relevant activities, as the total number of directors including the Playtech appointed director is five;
- Playtech has neither the ability to change any members of the board nor of the management of LSports; and
- as at 31 December 2023 and 31 December 2022 the option is not exercisable and therefore can be disregarded in the assessment of power.

Per the above assessment, Playtech does not hold power over the investee and as such does not have control.

As at 31 December 2023 and 2022, the Group has significant influence over LSports because it meets one or more of the criteria under IAS 28, paragraph 6, the main one being the Playtech employee appointed on the board of LSports, enabling it to therefore participate in policy-making processes, including decisions about dividends and/or other distributions. As a result of this assessment, LSports has been recognised as an investment in associate.

The LSports option, which is not currently exercisable, is fair valued as per paragraph 14 of IAS 28 and shown as a derivative financial asset in accordance with IFRS 9 and disclosed separately under part C of this Note.

Purchase Price Allocation (PPA)

The Group has prepared a PPA following the acquisition of the investment, where any difference between the cost of the investment and Playtech's share of the net fair value of the LSports identifiable assets and liabilities results in goodwill.

Details of the fair value of identifiable assets and liabilities acquired, investment consideration and goodwill are as follows:

	Playtech's share of net fair value of the identifiable assets and liabilities acquired 2022 €'m
Net book value of liabilities acquired	(1.3)
Fair value of customer contracts and relationships	7.8
Fair value of technology – internally developed	11.5
Fair value of brand	1.6
Deferred tax arising on acquisition	(2.3)
Total net assets	17.3
Total consideration	35.3
Goodwill	18.0

Goodwill is not recognised separately but is included as part of the carrying amount of the investment in associate. The total share of profit recognised in profit or loss in the year ended 31 December 2023 from the investment is LSports was €2.1 million (2022: €0.3 million). This includes the amortisation of intangibles and the release of the deferred tax liability, arising on acquisition, and the share of the LSports profits, with a corresponding entry against the investment in associate.

During 2023, the Group received a dividend of €1.8 million from LSports (2022: €Nil), which reduced the investment in associate value in the consolidated balance sheet.

Investment in Stats International

Background

In January 2022, the Group provided a $2.3 million loan to Stats International Limited ("Stats"), at an interest rate of 3.5% and a repayment date of 30 June 2024. As at 31 December 2023 and 2022, the carrying value of the loan was €2.2 million (Note 22). The Stats group's business activities are focused on securing rights in connection with sporting competitions and the exploitation of the same, typically in exchange for the payment of certain fees and provision of analytical and statistical services by the Stats group to the relevant rightsholder. The initial focus of the Stats group is on Brazilian sports competitions.

In May 2023, the Group and Stats signed an amended loan agreement which, amongst other things, changed the repayment obligations such that the final repayment date will be 31 December 2026 and the loan agreement will be novated from Stats to Jewelrock (Stats' sole shareholder) in consideration of $1. Moreover, a framework agreement was signed between Stats and Playtech whereby Playtech, for a €1 consideration, has been granted the option to acquire from Jewelrock 36% of the issued share capital of Stats.

Finally, Playtech entered into a service agreement whereby Playtech provides Stats its business development and knowledge-sharing services in connection with the operational and industry standard procedures of Stats in exchange for additional B2B services fee as per Note 10. As the business is still a start-up, the additional B2B services fee as at 31 December 2023 was €Nil (2022: €Nil). Once the option is exercised, the Group would no longer provide certain services and, as such, would no longer be entitled to the additional B2B services fee.

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Investment in Stats International continued

Background continued

The option may be exercised at any time but prior to the termination of all sporting rights agreements. It shall also lapse on the expiry or termination of the Playtech service agreement in accordance with its terms or at the written election of Playtech.

Playtech has assessed whether it holds power to control the investee and it was concluded that this is not the case. Even if the option is exercised, it would only result in a 36% voting right over the operating entity and therefore no control.

However, Playtech has assessed whether the Group has significant influence over Stats and due to the existence of the service agreement whereby Playtech would be assisting a start-up business by providing knowledge-sharing services, these could be considered essential technical information. Considering this, it was concluded that the Group has significant influence under IAS 28, paragraph 6, over Stats.

The cost of the option, which was considered to be the inherent value of Playtech allowing the loan repayment date to be extended, is considered negligible. No share of profits/losses have been recognised as at 31 December 2023 in profit or loss as these were immaterial.

Investment in NorthStar

Background

NorthStar Gaming Inc. is a Canadian gaming brand which was incorporated under the laws of Ontario in Q4 2021. In Q2 2022, NorthStar Gaming Inc. received its licence from the Alcohol and Gaming Commission of Ontario (AGCO) and launched its online gaming site www.northstarbets.ca which offers access to regulated sports betting markets, and a robust and curated casino offering, including the most popular slot offerings and live dealer games. The principal reason of the acquisition is the attractive opportunity considered by Playtech to increase its footprint in the growing Canadian betting data market segment.

In December 2022, the Group issued NorthStar Gaming Inc. a convertible loan of CAD 12.25 million with conditions being that upon the completion of a reverse takeover (RTO) transaction the loan could be converted into common shares, A warrants and B warrants of the post-RTO consolidated entity. Baden Resources, a company which was listed on the TSX, entered into a conditional agreement to acquire NorthStar Gaming Inc. for shares (i.e. complete an RTO of NorthStar Gaming Inc.). The fair value of the loan as at 31 December 2022 was €8.4 million.

In March 2023, the RTO was completed and Baden Resources changed its name to NorthStar Gaming Holdings (“NorthStar”). These events triggered the automatic conversion of the Group’s convertible loan into common shares in NorthStar Gaming Inc. (effective immediately prior to closing) and then immediately thereafter on closing those shares were exchanged for NorthStar common shares.

When the loan was converted into NorthStar common shares the Group also became the holder of NorthStar Warrants (half of which are exercisable at CAD 0.85 per share and the other half at CAD 0.90 per share) which, if exercised, would result in the Group further increasing its shareholding in NorthStar. These warrants expire on the fifth anniversary of their issue.

In September 2023, the Group entered into a subscription agreement with NorthStar whereby additional shares and warrants (half of which are exercisable at CAD 0.36 per share and the other half at CAD 0.40 per share, in each case expiring on the fifth anniversary of their issue) were acquired for CAD 5.0 million. At the time of this investment, which closed in October 2023, Playtech also loaned NorthStar an 8% senior convertible debenture for CAD 5.0 million.

After the additional investment in October 2023, Playtech owns approximately 27.5% of the issued and outstanding common shares of NorthStar. If the convertible debenture were to be converted into common shares and all of the Group’s warrants were to be exercised, the Group could potentially further increase its stake beyond 40% of the issued and outstanding common shares.

The Group’s convertible debenture has been classified at fair value through profit or loss based on IFRS 9 criteria. As at 31 December 2023, an amount of CAD 5.0 million (€3.5 million), which is included in loans receivable from related parties (refer to Note 22), has been drawn down (2022: €Nil). The loan is required to be repaid to Playtech by October 2026 or upon conversion (to the extent not fully converted) once conversion criteria are met.

The fair value of all of Playtech’s warrants is €Nil as at 31 December 2023 (refer Note 21C).

Assessment of control and significant influence

As at the date of acquisition and 31 December 2023, it was assessed that the Group did not have control over NorthStar, because it does not meet the criteria of IFRS 10 Consolidated Financial Statements, paragraph 7 due to the following:

- despite representation on the NorthStar board of directors by Playtech’s CFO from the initial investment and later on, with the additional investment made, a further Playtech employee also being appointed, there is still no ability to control the relevant activities, as the total number of directors is eight; and
- Playtech has neither the ability to change any other members of the NorthStar board nor the management of NorthStar.

Per the above assessment, Playtech does not hold power over the investee and as such does not have control.

As at 31 December 2023, the Group has significant influence over NorthStar because it meets one or more of the criteria under IAS 28, paragraph 6, the main one being that it has two appointed members sitting on the board of NorthStar, enabling it to therefore participate in policy-making processes, including decisions about dividends and/or other distributions. As a result of this assessment NorthStar has been recognised as an investment in associate.

The NorthStar warrants are fair valued as per paragraph 14 of IAS 28 and shown as a derivative financial asset in accordance with IFRS 9 (refer to Note 21C).

Note 21 – Investments and derivative financial assets continued

A. Investments in associates continued

Investment in NorthStar continued

Purchase Price Allocation (PPA)

The Group has prepared a PPA following the acquisition of the investment, where any difference between the cost of the investment and Playtech's share of the net fair value of NorthStar's identifiable assets and liabilities results in goodwill.

Details of the provisional fair value of identifiable assets and liabilities acquired, investment consideration and goodwill are as follows:

	Playtech's share of net fair value of the identifiable assets and liabilities acquired 2023 €'m
Net book value of assets acquired	**0.4**
Fair value of customer contracts and relationships	**1.0**
Fair value of brand	**0.9**
Total net assets	**2.3**
Total consideration	**8.4**
Goodwill	**6.1**

Goodwill is not recognised separately but is included as part of the carrying amount of the investment in associate. Up until October 2023, Playtech's shareholding was diluted to 15% due to NorthStar issuing more shares as part of an acquisition they completed in May 2023. Playtech's shareholding for November and December 2023 was 27.5%. The total share of loss recognised in profit or loss in the year ended 31 December 2023 from the investment in NorthStar was €2.8 million (2022: €Nil). This includes the amortisation of intangibles, arising on acquisition, and the share of NorthStar's losses, with a corresponding entry against the investment in associate.

Investment in Sporting News Holdings Limited

Background

In August 2023, the Group acquired 12.6% of Sporting News Holdings Limited ("TSN"), for a total consideration of $6.3 million (€5.8 million).

TSN's principal activities are the sale of digital advertising and the offering of media services, the provision of multimedia sports content across internet-enabled digital platforms and the distribution directly to customers and business clients around the world. The company is incorporated in the Isle of Man. The principal reason of the acquisition is the attractive opportunity considered by Playtech to increase its footprint in the growing sports and media market segment.

Assessment of control and significant influence

As at the date of acquisition and at 31 December 2023 it was assessed that the Group did not have control over TSN, because it does not meet the criteria of IFRS 10 Consolidated Financial Statements, paragraph 7 due to the following:

- despite Playtech having the right to appoint a director on the TSN board, as at 31 December 2023, one had not yet been appointed. Playtech has preferred to only appoint an observer to the board. Moreover, once Playtech appoints a director, there is still no ability to control the relevant activities, as the total number of directors including potentially one Playtech appointed director will be five; and
- Playtech has neither the ability to change any members of the board nor of the management of TSN.

Per the above assessment, Playtech does not hold power over the investee and as such does not have control.

As at 31 December 2023, the Group has significant influence over TSN because it meets one or more of the criteria under IAS 28, paragraph 6, the main one being Playtech having the ability to appoint a member on the board of TSN, enabling it to therefore participate in policy-making processes, including decisions about dividends and/or other distributions. As a result of this assessment TSN has been recognised as an investment in associate.

The cost of the investment was deemed to be the consideration paid for the shares of $6.3 million (€5.8 million), which was reduced by €0.2 million on 31 December 2023 through the recognition of the Group's share of losses.

Other investments in associates that are fair valued under IFRS9 per IAS 28, paragraph 14

The following are also investments in associates where the Group has significant influence but where the option is not currently exercisable. As there is no current access to profits, the relevant option is fair valued under IFRS 9, and disclosed as derivative financial assets under part C of this Note:

- Wplay;
- Tenbet (Costa Rica); and
- Onjoc (Panama).

The financial information required for investments in associates, other than Caliplay, has not been included here as from a Group perspective the Directors do not consider them to have a material impact jointly or separately.

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

B. Other investments

Balance sheet

	2023 €'m	2022 €'m
Listed investments	15.8	1.4
Investment in Tenlot Guatemala	—	4.4
Investment in Tentech Costa Rica	—	2.1
Investment in Gameco	—	1.3
Investment in Hard Rock Digital	77.0	—
Total other investments	**92.8**	9.2

Statement of comprehensive income

	2023 €'m	2022 €'m
Profit and loss		
Change in fair value of equity investments	(6.6)	(0.3)
Impairment of investment in Gameco (included in the impairment of financial assets)	(1.3)	—
	(7.9)	(0.3)
Other comprehensive income		
Foreign exchange movement from equity investments held in a non-Euro functional subsidiary	(2.6)	—

Listed investments

The Group has shares in listed securities, noting that new shares in listed securities were purchased during the year for €14.3 million. The fair values of these equity shares are determined by reference to published price quotations in an active market. For the year ended 31 December 2023, the fair values of these listed securities have increased by €0.1 million (2022: decrease of €0.3 million).

Investment in Tenlot Guatemala

In 2020, the Group entered into an agreement with Tenlot Guatemala, a member of the Tenlot Group. Tenlot Guatemala, which is in the lottery business in Guatemala, commenced its activity in 2018.

The Group acquired a 10% equity holding in Tenlot Guatemala for a total consideration of $5.0 million (€4.4 million) in 2020, which has been accounted at fair value through profit or loss under IFRS 9.

The fair value of the equity holding as at 31 December 2023 was reduced to €Nil because of changes to market conditions which led to changes in its original business plans (2022: €4.4 million). The fair value of the equity holding has decreased by €4.4 million in the year ended 31 December 2023.

In addition, the Group was granted a 10% equity holding in Super Sports S.A. at no additional cost. The Group also has an option to acquire an additional 80% equity holding in Super Sports S.A. If the option is exercised, the Group would no longer provide certain services and, as such, would no longer be entitled to the additional B2B services fee. The additional B2B services fee was €Nil for the year ended 31 December 2023 (2022: €Nil). There are no conditions attached to the exercise of the option.

The right of exercising the call option at any time and the acquisition of the additional 80% in Super Sports S.A. give Playtech:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

It therefore satisfies all the criteria of control under IFRS 10, paragraph 7 and, as such, at 31 December 2023 Super Sports S.A. has been consolidated in the consolidated financial statements of the Group, noting that this is not material from a Group perspective.

Investment in Tentech Costa Rica

In 2020, the Group entered into an agreement in Costa Rica with the Tenlot Group. The Group acquired a 6% equity holding in Tentech CR S.A., a member of the Tenlot Group, for a total consideration of $2.5 million (€2.1 million). Tentech CR S.A. sells printed bingo cards in accordance with article 29 of the Law of Raffles and Lotteries of Costa Rica (CRC – Costa Rican Red Cross Association).

The 6% equity holding in Tentech CR S.A. is accounted at fair value through profit or loss under IFRS 9.

The fair value of the equity holding as at 31 December 2023 was reduced to €Nil (2022: €2.1 million) because of changes to market conditions which led to changes in its original business plans. The fair value of the equity holding has decreased by €2.3 million in the year ended 31 December 2023.

Note 21 – Investments and derivative financial assets continued

B. Other investments continued

Investment in Gameco

In 2021, the Group entered into a convertible loan agreement with GameCo LLC ("Gameco"), where it provided $4.0 million (€3.8 million) in the form of a debt security with 8% interest. In December 2022, Gameco acquired Green Jade Games and, subsequently, the Playtech debt was converted into equity shares, representing a 7.1% interest in the newly formed group. Immediately prior to the conversion, the loan was impaired by €3.0 million, and this has been recognised in profit or loss in the prior year.

The 7.1% equity holding in the newly formed group was accounted at fair value through profit or loss under IFRS 9 at 31 December 2022. As at 31 December 2023, the fair value of the equity holding has been impaired down to €Nil (2022: €1.3 million).

Investment in Hard Rock Digital

On 14 March 2023, the Group invested $85.0 million (€79.8 million) in Hard Rock Digital (HRD) in exchange for a small minority interest in a combination of equity shares and warrants. HRD is the exclusive Hard Rock International and Seminole Gaming vehicle for interactive gaming and sports betting on a global basis.

The Group assessed whether the warrants meet the definition of a separate derivative as per IFRS 9. A financial instrument or other contract should have all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided, in the case of a non-financial variable, that the variable is not specific to a party to the contract (sometimes called the "underlying");
- it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- it is settled at a future date.

Management made a judgement that the warrants do not meet the definition of a separate derivative asset as: (i) the value of the warrants is part of the total investment and cannot be distinguished between the two and therefore the value of the warrants was deemed to be equal to the equity shares value; and (ii) the consideration was paid at the time of the transaction.

The equity investment in HRD does not meet the definition of held for trading, as the investment was acquired for long-term investment purposes and with no current intention for sale. In this respect, the investment will be classified as an investment at fair value through profit or loss with initial and subsequent recognition at fair value. Any subsequent gain/loss will be recognised in profit or loss.

Since the date the investment was made until 31 December 2023, there have been no changes in the operations of HRD that would indicate that the fair value of the investment would be different to the original arm's length price paid of $85.0 million (€79.8 million). This continues to be the case, despite the positive outcome of the federal appeals court overturning a ruling that prevented HRD from relaunching its operations in support of The Seminole Tribe of Florida's mobile and retail sports books in Florida, a decision that is currently being appealed.

The foreign exchange movement of the investment held in HRD is recorded through other comprehensive income as the investment is held in a USD functional currency entity. The impact of the foreign exchange movement of the investment is a loss of €2.8 million in other comprehensive income for the year ended 31 December 2023.

C. Derivative financial assets

Balance sheet

	2023 €'m	2022 €'m
Playtech M&A Call Option (Caliplay)	**730.2**	524.0
Wplay	**88.0**	93.5
Onjoc	**3.1**	8.6
Tenbet	**1.7**	8.9
NorthStar warrants (Note 21A)	**—**	—
LSports (Note 21A)	**4.8**	1.4
Total derivative financial assets	**827.8**	636.4

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Statement of comprehensive income impact

	2023 €'m	2022 €'m
Caliplay		
Fair value change of Playtech M&A Call Option	**180.9**	(13.3)
Playtech Call Option	**—**	—
Foreign exchange movement to profit or loss	**(16.0)**	30.6
Wplay		
Fair value change in Wplay	**(2.7)**	(9.4)
Foreign exchange movement recognised in other comprehensive income	**(2.8)**	5.7
Onjoc		
Fair value change in Onjoc	**(5.3)**	1.3
Foreign exchange movement recognised in other comprehensive income	**(0.2)**	0.4
Tenbet		
Fair value change in Tenbet	**(6.9)**	(3.2)
Foreign exchange movement recognised in other comprehensive income	**(0.3)**	0.7
LSports		
Fair value change of call option (Note 21A)	**3.4**	—
Total comprehensive income impact	**150.1**	12.8

Caliplay

As already disclosed in section A of this note, the Playtech M&A Call Option is not currently exercisable and therefore in accordance with IAS 28, paragraph 14 has been recognised as a derivative financial asset and fair valued under IFRS 9.

As at 31 December 2023 and 2022, the valuation methodology used for the Playtech M&A Call Option was that of a discounted cash flow (DCF) approach with a market exit multiple assumption.

As already mentioned in part A of Note 21, the Group is seeking a declaration from the English Courts to obtain clarification on a point of disagreement between the parties in relation to the Caliente Call Option and, in particular, whether Caliplay still holds this option which permits it to redeem the additional B2B services fee element. Should it be declared that Caliplay still has the Caliente Call Option and Caliplay then exercises said option, this would cancel both the Playtech M&A Call Option and the Playtech Call Option. The Group believes the Caliente Call Option has expired and whilst Caliplay has not sought to exercise the option to date, Caliplay has made it clear that it considers the option has not yet expired.

In arriving at the fair value of the Playtech M&A Call Option, the Group has made a judgement that the Caliente Call Option has expired and therefore no probability weighted scenarios have been modelled that include an assumption that the Caliente Call Option is exercisable. Should the English Courts determine that the option is exercisable and Caliplay chooses to exercise the option, the amount payable by Caliplay to the Group upon exercise would either be agreed between the parties or, failing which, determined by an independent investment bank valuing the Group's remaining entitlement to receive the additional B2B services fee until 31 December 2034. There is therefore the potential that, should the Caliente Call Option be exercisable and then subsequently exercised, the proceeds received by the Group may be materially different (positive or adverse) to the fair value of the Playtech M&A Call Option recorded as at 31 December 2023 and 2022.

Furthermore, and as disclosed in further detail under Note 7, the disputes with Caliplay now also include a dispute in relation to the additional B2B services fees and B2B licensee fees. The dispute relates to amounts that date back to the summer of 2023 and remain outstanding from Caliplay today. The impact of this dispute has been considered below by including a higher specific risk premium in the discount rate used for the DCF, to reflect what a willing third-party buyer would pay for the rights to this option, as things stand with the ongoing dispute.

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Caliplay continued

Valuation

The Group has assessed the fair value of the Playtech M&A Option as at 31 December 2023 using a DCF approach with a market exit multiple assumption.

The Group's view of a reasonable market participant base discount rate for the 31 December 2023 valuation is unchanged since last year. However, due to the ongoing legal proceedings and the dispute with Caliplay as described above, the Group has adjusted the fair value of the Playtech M&A Call Option to reflect this risk, by including an additional company-specific risk premium in the discount rate, which overall increased it to 20% (2022: 16%).

The Group also made assumptions on the probability of a possible transaction that may be completed on a number of exit date scenarios over a five-year period, until December 2028. Management did not model a scenario of no exit as this is considered highly remote. The Group used a compound annual growth rate of 17.0% (2022: 17.2%) on revenue over the forecasted cash flow period, an average Adjusted EBITDA margin of 31.3% (2022: 26.3%) and an exit multiple of 7.7x (2022: 9.6x). The decrease in the exit EBITDA multiple is supported by the observed median EV/EBITDA multiple of the publicly listed peers as at 31 December 2023 and share price declines. Due to the uncertainty as to how the exercise of the Playtech M&A Call Option may occur and the potential for the shares held to not be immediately realisable, the Group included an additional discount for lack of marketability (DLOM) for two years of 10.0% (2022: 13.8%). Furthermore, Playtech's share in Caliplay was adjusted to reflect the rights to Caliplay shares that a service provider has under its services agreement with the Group. Finally, taking account of matters arising in the period, Playtech has included some probability weighted scenarios to consider the impact of the COC Option as explained in part A of this Note, noting that the probabilities assigned to this scenario are above zero but low, as compared to the 31 December 2022 valuation where it was assumed that there was no impact (i.e. 0% probability scenarios).

As at 31 December 2023, the fair value of the Playtech M&A Call Option was $805.8 million (2022: $560.6 million) which converted to €730.2 million (2022: €524.0 million). The period-on-period change in the fair value of the Playtech M&A call option is a combination of an uplift:

- in the forecasts which consider Caliplay's strong 2023 performance which exceeded previous expectations; and
- following the reduction of the right to Caliplay shares that a service provider of Playtech had under its services agreement which was partly redeemed during the period through a €41.3 million redemption payment (the value of such right being previously deducted from the fair value of the Playtech M&A Call Option).

These were partially offset by:

- the reduction in the exit multiple as explained above;
- the increase in the discount rate to reflect the ongoing litigation risk;
- unfavourable movement in the USD to EUR foreign exchange rate; and
- the impact of including scenarios whereby there is a small probability that the COC Option will be exercised.

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial asset as at 31 December 2023 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- A different discount rate within the range of 18% to 22% will result in a fair value of the derivative financial asset in the range of €679.6 million – €785.6 million.
- A 5% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €691.3 million – €769.3 million.
- A 10% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €652.4 million – €808.2 million.
- A 5% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €598.9 million – €885.3 million.
- A 10% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €487.5 million – €1,066.5 million.
- A 1.0 fluctuation on the market exit multiple will result in a fair value of the derivative financial asset within the range of €666.9 million – €793.7 million.
- If the 10% DLOM applied for the two-year period post exercise of the Playtech M&A Option fluctuates by 5% (i.e. in the event that an M&A transaction included the acquisition of Playtech's shares immediately post exercise) the fair value of the derivative financial asset would be within the range of €694.1 million – €766.6 million.
- If the incremental annual DLOM on option fluctuates by 2.5% (to 2.5% and 7.5% instead of 5%) this will result in a fair value of the derivative financial asset within the range of €690.4 million – €769.3 million.
- If the M&A call option weighted at 100% probability of exercise relative to the standalone COC option payment, regardless of the exit date scenario, the fair value of the derivative financial asset would be €811.0 million.
- If the M&A call option weighted at even 50% between the probability of exercise of the standalone Playtech M&A Call Option and the standalone COC option payment, the fair value of the derivative financial asset would be €621.6 million.

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Wplay

In August 2019, Playtech entered into a structured agreement with Aquila Global Group SAS ("Wplay"), which has a licence to operate online gaming products and services in Colombia. Under the agreement, the Group provides Wplay its technology products, where it receives standard operator revenue and additional B2B services fee as per Note 10. The Group has no shareholding in Wplay.

Playtech has a call option to acquire a 49.9% equity holding in the Wplay business. As at 31 December 2022 this option was exercisable in August 2023. In 2023, the option exercise date was deferred to February 2024, however management was in active discussions with Wplay to further extend the option exercise date pre-year end. The extension was signed in February 2024, and the option exercise date was deferred to February 2025, or earlier if an M&A event takes place. For the call option valuation as at 31 December 2023, Playtech assumed that the call option cannot be exercised any date before February 2025. If the call option is exercised by Playtech, the Group would no longer provide certain services and as such will no longer be entitled to the additional B2B services fee. The additional B2B services fee was €1.2 million for the year ended 31 December 2023 (2022: €Nil).

The payment of €22.4 million made to Wplay in 2019 and 2020 was considered to be the payment made for the option in Wplay.

Assessment of control and significant influence

The Group assessed whether it holds power over the investee (in accordance with IFRS 10, paragraph 7) with the following considerations:

- Playtech does not have the ability to direct Wplay's activities as it has no voting representation on the executive committee or members of the executive committee.
- Whilst they are not members on the executive committee, Playtech has the ability to appoint and change both the COO and CMO who form part of the management team (albeit this right has never been exercised). The COO and the CMO are part of the wider management team but would not be able to control the relevant activities of Wplay.
- If the option is exercised it would result in Playtech acquiring 49.9% of the voting rights of the operating entity and therefore would not result in having control. Furthermore, as at 31 December 2023, the option is not exercisable and therefore can be disregarded in the assessment of power.

Per the above assessment Playtech does not hold power over the investee and as such does not have control.

With regard to the assessment of significant influence, the following facts were considered:

- Playtech has the right to appoint and remove the COO and CMO, which is a potential indicator of significant influence given their relative positions and involvement in the day-to-day operations of Wplay.
- The standard operator revenue is not considered to give rise to significant influence. However, when combined with the additional B2B services fee, this is an indicator of significant influence.
- The Group provides additional services to Wplay which Wplay requires to assist it in successfully running its operations, which could be considered essential technical information.

The Group therefore has significant influence under IAS 28, paragraph 6 over Wplay. However, as the option is not currently exercisable, the Group has an investment in associate but with no access to profits. As such, the option is fair valued as per paragraph 14 of IAS 28 and shown as a derivative financial asset in accordance with IFRS 9.

The Group has given two loans to Wplay, an interest-bearing and a non-interest-bearing one, of $1.7 million (€1.6 million) and $0.5 million (€0.5 million) respectively. The combined outstanding balance as at 31 December 2023 is $1.3 million (€1.3 million) and is due for repayment within the next 12 months. The loans are included in loans receivable from related parties (refer to Note 24).

Valuation

The fair value of the option at 31 December 2023 has been estimated using a DCF approach with a market exit multiple assumption. The Group used a discount rate of 22% (2022: 25%), the decrease reflecting the maturity stage of the Wplay business, as well as a discount for illiquidity and control until the expected Playtech exit date of February 2025 (2022: expected exit date of December 2026). The Group used a compound annual growth rate of 8.2% (2022: 24.7%) over the forecasted cash flow period, an average Adjusted EBITDA margin of 28.5% (2022: 20.6%) and an exit multiple of 10.2x (2022: 9.6x). As part of the agreement, there is a lock-in mechanism that contractually might prevent Playtech from selling the resulting shares, however an assumption was made that if the exit date assumed in the model is earlier, then both parties would be in agreement to this earlier exit point, therefore no further discounts were applied post transaction. Furthermore, Playtech's share in Wplay was adjusted to reflect the rights to shares that a service provider has under its services agreement with the Group.

As at 31 December 2023, the fair value of the Wplay derivative financial asset is €88.0 million. The difference of €5.5 million between the fair value at 31 December 2022 of €93.5 million and the fair value at 31 December 2023 has been recognised as follows:

a. €2.7 million derived from the fair value decrease of the derivative call option calculated using the DCF model in profit or loss for the year ended 31 December 2023. The decrease was due to downgrading the forecasts because of the new marketing regulations becoming effective in Colombia from January 2024, which restrict the amounts that can be spent on marketing each year by operators, and offset by the decrease in the discount rate and the increase in the exit multiple.

b. €2.8 million derived from the fair value decrease due to the exchange rate fluctuation of USD to EUR (as the derivative call option is under a foreign subsidiary of the Group whose functional currency is USD) in other comprehensive income for the year ended 31 December 2023.

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Wplay continued

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial asset as at 31 December 2023 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- A different discount rate within the range of 17% to 27% will result in a fair value of the derivative financial asset in the range of €74.3 million – €105.1 million.
- A 5% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €83.6 million – €92.4 million.
- A 10% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €79.2 million – €96.8 million.
- A 5% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €83.1 million – €93.0 million.
- A 10% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €78.3 million – €98.0 million.
- A 1.0 fluctuation on the market exit multiple will result in a fair value of the derivative financial asset within the range of €81.2 million – €94.9 million.
- If the expected Playtech exit date is extended by one year, the fair value of the derivative financial asset will decrease to €82.9 million.

Onjoc

In June 2020, Playtech entered into a framework agreement with ONJOC CORP. ("Onjoc"), which holds a licence to operate online sports betting, gaming and gambling activities in Panama. The Group has no equity holding in Onjoc but has an option to acquire 50%. Under the agreement the Group provides Onjoc its technology products, where it receives standard operator revenue and additional B2B services fee as per Note 10. If the option is exercised, the Group would no longer provide certain services and, as such, would no longer be entitled to the additional B2B services fee. The additional B2B services fee was €Nil in the year ended 31 December 2023 (2022: €Nil). The option can be exercised any time subject to Onjoc having $15.0 million of Gross Gaming Revenue (GGR) over a consecutive 12-month period.

Assessment of control and significant influence

The Group performed an analysis for Onjoc to assess whether it holds power over Onjoc (in accordance with IFRS 10, paragraph 7) with the following considerations:

- Playtech can propose an independent member to the board of directors, who has to be independent to both Playtech and Onjoc, and as such does not have the ability to direct Onjoc's activities as it has no voting representation on the board;
- Playtech has the right to propose the COO, CTO and CMO, which although would form part of the wider management team, would not be able to control the relevant activities of Onjoc by themselves; and
- if the option is exercised it would result in Playtech acquiring 50% of the voting rights of the operating entity and therefore would not result in having control. Furthermore, as at 31 December 2023, the option is not exercisable and therefore can be disregarded in the assessment of power.

Per the above assessment Playtech does not hold power over the investee and as such does not have control.

With regard to the assessment of significant influence, the following facts were considered:

- Playtech can propose an independent member to the board of directors and has the right to propose the COO, CTO and CMO, which are potential indicators of significant influence given their relative positions and the involvement in day-to-day operations of Onjoc;
- the standard operator revenue is not considered to give rise to significant influence. However, when combined with the additional B2B services fee, this is an indicator of significant influence; and
- the Group provides additional services to Onjoc which Onjoc requires to assist it in successfully running its operations which could be considered essential technical information.

The Group therefore has significant influence under IAS 28, paragraph 6 over Onjoc. However, as the option is not currently exercisable, the Group has an investment in associate but with no access to profits. As such, the option is fair valued as per paragraph 14 of IAS 28 and shown as a derivative financial asset in accordance with IFRS 9.

The Group has given an interest-bearing loan to Onjoc of €2.3 million (2022: €1.8 million) which is due for repayment in October 2025 and is included in loans receivable from related parties (refer to Note 22).

Notes to the financial statements continued

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Onjoc continued

Valuation

The fair value of the option at 31 December 2023 has been estimated using a DCF approach with a market exit multiple assumption. The Group used a discount rate of 32% (2022: 33%) reflecting the cash flow risk given the high growth rates in place and the early stages of the business, as well as a discount for illiquidity and control until the expected Playtech exit date of December 2027 (2022: expected exit date of December 2027). The Group used a compound annual growth rate of 49.2% (2022: 60.1%) over the forecasted cash flow period and an average Adjusted EBITDA margin of 24.2% (2022: 20.4%). As part of the agreement, there is a lock-in mechanism that contractually might prevent Playtech from selling the resulting shares, however an assumption was made that if the exit date assumed in the model is earlier, then both parties would be in agreement to this earlier exit point, therefore no further discounts applied post transaction. Furthermore, Playtech's share in Onjoc was adjusted to reflect the rights to shares that a service provider has under its services agreement with the Group.

As at 31 December 2023, the fair value of the Onjoc derivative financial asset is €3.1 million. The difference of €5.5 million between the fair value at 31 December 2022 of €8.6 million and the fair value at 31 December 2023 has been recognised as follows:

a. €5.3 million derived from the fair value decrease of the derivative call option calculated using the DCF model in profit or loss in the year ended 31 December 2023. This decrease is mostly due to the revised cash flow forecasts used in the valuation which have been downgraded based on Onjoc's current performance.

b. €0.2 million derived from the fair value decrease from the exchange rate fluctuation of USD to EUR (as the derivative call option is under a foreign subsidiary of the Group whose functional currency is USD) in other comprehensive income in the year ended 31 December 2023.

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial asset as at 31 December 2023 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- A different discount rate within the range of 27% to 37% will result in a fair value of the derivative financial asset in the range of €2.4 million – €4.0 million.
- A 5% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €2.9 million – €3.3 million.
- A 10% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €2.7 million – €3.6 million.
- A 5% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €2.2 million – €4.1 million.
- A 10% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €1.3 million – €5.1 million.
- A 1.0 fluctuation on the market exit multiple will result in a fair value of the derivative financial asset within the range of €2.5 million – €3.7 million.

Tenbet Costa Rica

In addition to the 6% equity holding in Tentech CR S.A as per section B of this Note, the Group has an option to acquire 81% equity holding in Tenbet. Tenbet, which is another member of the Tenlot Group, operates online bingo games and casino side games. Playtech provides certain services to Tenbet in return for its additional B2B services fee. The Group has no equity holding in Tenbet but has an option to acquire 81% equity. If the option is exercised, the Group would no longer provide certain services to Tenbet and, as such, would no longer be entitled to the additional B2B services fee. The additional B2B services fee was €Nil in the year ended 31 December 2023 (2022: €Nil). In H1 2023, the Group signed an amendment to the Tenbet agreement in which the option can be exercised at any time from July 2024 (previously 35 months of Tenbet going live). In H2 2023, the Group signed an amendment to the Tenbet agreement in which the option can be exercised at any time from 1 January 2025 based on the condition that Tenbet has generated at least once, prior to the exercise, accumulative GGR (as defined in the agreement) of at least $10.0 million, in a consecutive 12-month period.

Under the existing agreements, the Group has provided Tenbet with a credit facility of €4.5 million, out of which €4.2 million (Note 22) had been drawn down as at 31 December 2023 (2022: €2.1 million).

Assessment of control and significant influence

The Group assessed whether it holds power over Tenbet (in accordance with IFRS 10, paragraph 7) with the following considerations:

- Playtech does not have the ability to direct Tenbet's activities as it has no voting representation on the board of directors (or equivalent) or people in managerial positions;
- Playtech has neither the ability to appoint, nor change, any members of the board of Tenbet; and
- as at 31 December 2023, the option is not exercisable and therefore can be disregarded in the assessment of power.

Per the above assessment, Playtech does not hold power over the investee and as such does not have control.

With regard to the assessment of significant influence, the standard operator revenue alone is not considered to give rise to significant influence. However, when combined with the additional B2B services fee, this is an indicator of significant influence. Furthermore, the Group provides additional services to Tenbet which Tenbet requires to assist it in successfully running its operations that could be considered essential technical information. Playtech therefore has significant influence under IAS 28, paragraph 6 over Tenbet. However, as the option is not currently exercisable, the Group has an investment in associate but with no access to profits. As such, the option is fair valued as per paragraph 14 of IAS 28 and shown as a derivative financial asset in accordance with IFRS 9.

Note 21 – Investments and derivative financial assets continued

C. Derivative financial assets continued

Tenbet Costa Rica continued

Valuation

The fair value of the option at 31 December 2023 has been estimated using a DCF approach with a market exit multiple assumption. The Group used a discount rate of 33% (2022: 35%) reflecting the cash flow risk given the high growth rates in place and the early stages of the business, as well as a discount for illiquidity and control until the expected Playtech exit date of December 2028 (2022: expected exit date of December 2027). The Group used a compound annual growth rate of 96.2% (2022: 135%) over the forecasted cash flow period and an average Adjusted EBITDA margin of 0.9% (2022: average of -59.8%). As part of the agreement, there is a lock-in mechanism that contractually might prevent Playtech from selling the resulting shares, however an assumption was made that if the exit date assumed in the model is earlier, then both parties would be in agreement to this earlier exit point. Furthermore, Playtech's share in Tenbet was adjusted to reflect the rights to shares that a service provider has under its services agreement with the Group.

As at 31 December 2023, the fair value of the Tenbet derivative financial asset is €1.7 million. The difference of €7.2 million between the fair value at 31 December 2022 of €8.9 million and the fair value at 31 December 2023 has been recognised as follows:

a. €6.9 million derived from the fair value decrease of the derivative call option calculated using the DCF model in profit or loss in the year ended 31 December 2023. This decrease is mostly due to the revised cash flow forecasts used in the valuation which have been downgraded based on Tenbet's current performance.

b. €0.3 million derived from the fair value decrease from the exchange rate fluctuation of USD to EUR (as the derivative call option is under a foreign subsidiary of the Group whose functional currency is USD) in other comprehensive income in the year ended 31 December 2023.

Sensitivity analysis

The assumptions and judgements made in the valuation of the derivative financial asset as at 31 December 2023 include the following sensitivities, noting that factors and circumstances may arise that are outside the Group's control which could impact the option value:

- A different discount rate within the range of 28% to 38% will result in a fair value of the derivative financial asset in the range of €1.0 million – €2.6 million.
- A 5% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €1.4 million – €2.0 million.
- A 10% fluctuation in the Adjusted EBITDA margin will result in a fair value of the derivative financial asset within the range of €1.2 million – €2.2 million.
- A 5% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €Nil – €3.9 million.
- A 10% fluctuation in the revenue growth rate will result in a fair value of the derivative financial asset within the range of €Nil – €6.3 million.
- A 1.0 fluctuation on the market exit multiple will result in a fair value of the derivative financial asset within the range of €1.1 million – €2.3 million.

Notes to the financial statements continued

Note 22 – Other non-current assets

	2023 €'m	2022 €'m
Security deposits	4.3	3.3
Guarantee for gaming licences	2.2	2.2
Prepaid costs relating to Sun Bingo contract	58.7	63.4
Loans receivable (net of ECL)	3.1	1.7
Loans receivable from related parties (net of ECL) (Note 37)	58.5	27.9
Other receivables	10.2	11.1
	137.0	109.6

The movement of loans and interest receivable is as follows:

	€'m
Balance as at 1 January 2023	45.9
Net loans granted/repaid	23.4
Non-cash loans granted (transfer from trade receivables)	4.5
Non-cash loans repayment (transfer from trade payables)	(0.3)
Conversion of loan to equity investment (Note 21A)	(8.4)
Interest charge for the year	1.9
ECL	(0.9)
Impairment of loans receivable	(1.5)
Foreign exchange movements	(1.3)
Balance as at 31 December 2023	63.3
Split to:	
Non-current assets	61.6
Current assets (Note 24)	1.7
	63.3

Note 23 – Trade receivables

	2023 €'m	2022 €'m
Trade receivables	109.9	144.5
Related parties (Note 37)	99.1	20.5
Trade receivables – net	209.0	165.0
Split to:		
Non-current assets	1.9	1.1
Current assets	207.1	163.9
	209.0	165.0

Note 24 – Other receivables

	2023 €'m	2022 €'m
Prepaid expenses	23.3	23.4
VAT and other taxes	14.8	13.6
Security deposits for regulators	24.4	24.2
Prepaid costs relating to Sun Bingo contract	4.4	3.6
Receivable for legal proceedings and disputes[1]	16.4	16.4
Loans receivable (net of ECL)	0.5	13.0
Loans receivable from related parties (net of ECL) (Note 37)	1.2	3.3
Other receivables from related parties (Note 37)	0.3	—
Other receivables	15.2	10.1
	100.5	107.6

1 Receivable for legal proceedings and disputes relates to funds held in escrow, in relation to a historical and ongoing legal matter. The corresponding liability is included under gaming and other taxes. The funds will be released when the case is finally settled, in accordance with the escrow agreement.

Note 25 – Cash and cash equivalents

Cash and cash equivalents for the purposes of the statement of cash flows comprises:

	2023 €'m	2022 €'m
Cash at bank	516.6	426.8
Deposits	—	0.1
Cash and cash equivalents in the statement of cash flows	516.6	426.9
Less: expected credit loss (Note 39A)	(0.4)	(0.4)
	516.2	426.5

Out of the total cash at bank, an amount of €9.4 million was held by payment processors as at 31 December 2023 (2022: €6.8 million).

The Group holds cash balances on behalf of operators in respect of their jackpot games and poker and casino operations, as well as client funds with respect to B2C.

	2023 €'m	2022 €'m
Funds attributed to jackpots	81.1	84.7
Security deposits	29.9	29.6
Players' balances	41.9	39.8
	152.9	154.1

Note 26 – Assets held for sale

	2023 €'m	2022 €'m
Assets		
Property, plant and equipment	19.3	19.6

During 2021, the Group entered into a binding agreement for the disposal of a real estate area in Milan for a total consideration of €20.0 million. Accordingly, the real estate was classified as held for sale. Of the total consideration, €1.0 million was received during the year ended 31 December 2021. The advance received was classified as part of the liabilities directly associated with assets classified as held for sale.

The sale has been finalised but the disposal is expected to complete in H1 2025 with the movement of the trot track from La Maura area to San Siro (previously it was expected that the sale would be completed during 2024).

Notes to the financial statements continued

Note 27 – Shareholders' equity

A. Share capital

Share capital is comprised of no par value shares as follows:

	2023 Number of shares	2022 Number of shares
Authorised[1]	N/A	N/A
Issued and paid up	309,294,243	309,294,243

1 The Company has no authorised share capital, but the Directors are authorised to issue up to 1,000,000,000 shares of no par value.

The table below shows the movement of the shares:

	Shares in issue/ circulation Number of shares	Treasury shares	Shares held by EBT	Total
At 1 January 2022	299,244,326	2,937,550	7,112,367	309,294,243
Exercise of options	1,743,990	—	(1,743,990)	—
At 31 December 2022/1 January 2023	300,988,316	2,937,550	5,368,377	309,294,243
Transfer from treasury shares to EBT	—	(2,937,550)	2,937,550	—
Exercise of options	3,704,491	—	(3,704,491)	—
At 31 December 2023	**304,692,807**	—	**4,601,436**	**309,294,243**

B. Employee Benefit Trust

In 2014, the Group established an Employee Benefit Trust by acquiring 5,517,241 shares for a total of €48.5 million.

In 2021, the Company transferred 7,028,339 shares held by the Company in treasury to the Employee Benefit Trust for a total of €22.6 million.

In 2023, the Company transferred 2,937,550 shares held by the Company in treasury to the Employee Benefit Trust for a total of €12.5 million.

During the year ended 31 December 2023, 3,704,491 shares (2022: 1,743,990) were issued at a cost of €11.9 million (2022: €6.0 million). As at 31 December 2023, a balance of 4,601,436 shares (2022: 5,368,377 shares) remains in the EBT with a cost of €17.8 million (2022: €17.2 million).

C. Share options exercised

During the year 3,880,633 (2022: 1,794,438) share options were exercised, of which 176,142 were cash settled (2022: 50,448).

D. Distribution of dividends

During 2023 the Group did not pay any dividends.

E. Reserves

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Additional paid in capital	Share premium (i.e. amount subscribed for share capital in excess of nominal value)
Employee Benefit Trust	Cost of own shares held in treasury by the trust
Foreign exchange reserve	Gains/losses arising on retranslating the net assets of overseas operations
Employee termination indemnities	Gains/losses arising from the actuarial remeasurement of the employee termination indemnities
Non-controlling interest	The portion of equity ownership in a subsidiary not attributable to the owners of the Company
Retained earnings	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income

Note 28 – Loans and borrowings

The main credit facility of the Group is a revolving credit facility (RCF) up to €277.0 million and is available until October 2025, with an option to extend by 12 months. Interest payable on the loan is based on SONIA depending on the currency of each withdrawal. As at the reporting date the credit facility drawn amounted to €Nil (2022: €Nil).

Under the RCF, the covenants are monitored on a regular basis by the finance department, including modelling future projected cash flows under a number of scenarios to stress-test any risk of covenant breaches, the results of which are reported to management and the Board of Directors. The covenants are as follows:

- Leverage: Net Debt/Adjusted EBITDA to be less than 3.5:1 for the year ended 31 December 2023 (2022: less than 3.5:1).
- Interest cover: Adjusted EBITDA/Interest to be over 4:1 for the year ended 31 December 2023 (2022: over 4:1).

As at 31 December 2023 and 2022 the Group met these financial covenants.

Note 29 – Bonds

	2018 Bond €'m	2019 Bond €'m	2023 Bond €'m	Total €'m
At 1 January 2022	527.6	347.4	—	875.0
Repayment of bonds	(330.0)	—	—	(330.0)
Release of capitalised expenses	2.0	0.6	—	2.6
At 31 December 2022/1 January 2023	199.6	348.0	—	547.6
Repayment of bonds	(200.0)	—	—	(200.0)
Issue of new bond	—	—	297.2	297.2
Release of capitalised expenses	0.4	0.6	0.3	1.3
At 31 December 2023	**—**	**348.6**	**297.5**	**646.1**

	2023 €'m	2022 €'m
Split to:		
Non-current	**646.1**	348.0
Current	**—**	199.6
	646.1	547.6

Bonds

(a) 2018 Bond

On 12 October 2018, the Group issued €530.0 million of senior secured notes (the "2018 Bond") maturing in October 2023. The net proceeds of issuing the 2018 Bond after deducting commissions and other direct costs of issue totalled €523.4 million.

Commissions and other direct costs of issue have been offset against the principal balance and are amortised over the period of the 2018 Bond.

The issue price was 100% of its principal amount and bears interest from 12 October 2018 at the rate of 3.75% per annum payable semi-annually, in arrears, on 12 April and 12 October commencing on 12 April 2019.

During the year ended 31 December 2022, the Group made a partial repayment towards the 2018 Bond of €330.0 million. It was then fully repaid in 2023.

(b) 2019 Bond

On 7 March 2019, the Group issued €350 million of senior secured notes (the "2019 Bond") maturing in March 2026. The net proceeds of issuing the 2019 Bond after deducting commissions and other direct costs of issue totalled €345.7 million.

Commissions and other direct costs of issue have been offset against the principal balance and are amortised over the period of the 2019 Bond.

The issue price is 100% of its principal amount and bears interest from 7 March 2019 at a rate of 4.25% per annum payable semi-annually, in arrears, on 7 September and 7 March commencing on 7 September 2019.

(c) 2023 Bond

On 28 June 2023, the Group issued €300.0 million of senior secured notes (the "2023 Bond") maturing in June 2028. The net proceeds of issuing the 2023 Bond after deducting commissions and other direct costs of issue totalled €297.2 million.

Commissions and other direct costs of issue have been offset against the principal balance and are amortised over the period of the 2023 Bond.

The issue price is 100% of its principal amount and bears interest from 28 June 2023 at a rate of 5.875% per annum payable semi-annually, in arrears, on 28 December and 28 June commencing on 28 December 2023.

As at 31 December 2023 and 2022, the Group met the required interest cover financial covenant of 2:1 Adjusted EBITDA/Interest ratio, for the combined 2018, 2019 and 2023 Bonds.

Notes to the financial statements continued

Note 30 – Provisions for risks and charges, litigation and contingent liabilities

The Group is involved in proceedings before civil and administrative courts, and other legal or potential legal actions related to its business, including certain matters related to previous acquisitions. Based on the information currently available, and taking into consideration the existing provisions for risks, the Group currently considers that such proceedings and potential actions will not result in an adverse effect upon the financial statements; however, where this is not considered to be remote, they have been disclosed as contingent liabilities.

All the matters were subject to a review and estimate by the Board of Directors based on the information available at the date of preparation of these financial statements and, where appropriate, supported by updated legal opinions from independent professionals. These provisions are classified based on the Directors' assessment of the progress and probabilities of success of each case at each reporting date.

Movements of the provisions outstanding as at 31 December 2023 are shown below:

	Legal and regulatory €'m	Contractual €'m	Other €'m	Total €'m
Balance at 1 January 2023	7.3	4.2	2.4	13.9
Provisions made during the year	0.6	1.9	0.9	3.4
Provisions used during the year	(1.1)	(3.7)	(0.2)	(5.0)
Provisions reversed during the year	(1.1)	(1.6)	(0.1)	(2.8)
Balance at 31 December 2023	**5.7**	**0.8**	**3.0**	**9.5**

	Legal and regulatory €'m	Contractual €'m	Other €'m	Total €'m
2022				
Non-current	7.3	0.3	2.4	10.0
Current	—	3.9	—	3.9
	7.3	4.2	2.4	13.9
2023				
Non-current	**5.7**	**0.3**	**2.9**	**8.9**
Current	**—**	**0.5**	**0.1**	**0.6**
	5.7	**0.8**	**3.0**	**9.5**

Provision for legal and regulatory issues

The Group is subject to proceedings and potential claims regarding complex legal matters which are subject to a different degree of uncertainty. Provisions are held for various legal and regulatory issues that relate to matters arising in the normal course of business including, in particular, various disputes that arose in relation to the operation of the various licences held by the Group's subsidiary Snaitech. The uncertainty is due to complex legislative and licensing frameworks in the various territories in which the Group operates. The Group also operates in certain jurisdictions where legal and regulatory matters can take considerable time for the required local processes to be completed and the matters to be resolved.

Contractual claims

The Group is subject to historic claims relating to contractual matters that arise with customers in the normal course of business. The Group believes they have a robust defence to the claims raised and has provided for the likely settlement where an outflow of funds is probable. The uncertainty relates to complex contractual dealings with a wide range of customers in various jurisdictions, and because, as noted above, the Group operates in certain jurisdictions where contractual disputes can take considerable time to be resolved in the local legal system.

Given the uncertainties inherent, it is difficult to predict with certainty the outlay (or the timing thereof) which will derive from these matters. It is therefore possible that the value of the provisions may vary further based on future developments. The Group monitors the status of these matters and consults with its advisers and experts on legal and tax-related matters in arriving at the provisions recorded. The provisions included represent the Directors' best estimate of the potential outlay and none of the matters provided for are individually material to the financial statements.

Accounting for uncertain tax positions

The Group is subject to various forms of tax in a number of jurisdictions. Given the nature of the industry and the jurisdictions within which the Group operates, the tax, legal and regulatory regimes are continuously changing and subject to differing interpretations. As such, the Group is exposed to a small number of uncertain tax positions and open audits/enquiries. Judgement is applied in order to adequately provide for uncertain tax positions where it is believed that it is more likely than not that an economic outflow will arise. The Group has provided for uncertain tax positions which meet the recognition threshold and these positions are included within tax liabilities. There is a risk that additional liabilities could arise. Given the uncertainty and the complexity of application of international tax in the sector, it is not feasible to accurately quantify any possible range of liability or exposure, and this has therefore not been disclosed.

Note 31 – Contingent consideration

	2023 €'m	2022 €'m
Non-current contingent consideration		
Acquisition of Aus GMTC PTY Ltd	**5.4**	2.1
Others	**0.4**	0.2
Total non-current contingent consideration	**5.8**	2.3
Current contingent consideration consists of:		
Other acquisitions	**0.4**	0.6
Total current contingent consideration	**0.4**	0.6
Total contingent consideration	**6.2**	2.9

The maximum contingent consideration payable is as follows:

	2023 €'m	2022 €'m
Acquisition of Aus GMTC PTY Ltd	**45.3**	46.7
Other acquisitions	**0.8**	0.8
	46.1	47.5

Note 32 – Trade payables

	2023 €'m	2022 €'m
Suppliers	**46.0**	47.0
Customer liabilities	**20.9**	14.2
	66.9	61.2

Note 33 – Deferred tax

The movement on the deferred tax is as shown below:

	2023 €'m	2022 €'m
Balance at 1 January	**(10.8)**	14.0
Adjustment on initial recognition of IAS 12 amendment (restated Note 4A)	**—**	1.5
Balance at 1 January (restated)	**(10.8)**	15.5
Charge to profit or loss (Note 15)	**(87.4)**	(26.3)
On business combinations	**(0.9)**	—
At 31 December	**(99.1)**	(10.8)

	2023 €'m	2022 €'m
Split as:		
Deferred tax liability	**(161.6)**	(124.8)
Deferred tax asset	**62.5**	114.0
	(99.1)	(10.8)

Deferred tax assets and liabilities are offset only when there is a legally enforceable right of offset, in accordance with IAS 12.

As at 31 December 2023, the Directors continued to recognise deferred tax assets arising from temporary differences and tax losses carried forward, with the latter only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Please refer to Notes 7 and 15 for the assessment performed on the recognition of deferred tax in the period.

Notes to the financial statements continued

Note 33 – Deferred tax continued

Details of the deferred tax outstanding as at 31 December 2023 and 2022 are as follows:

	2023 €'m	2022 €'m
Deferred tax recognised on Group restructuring	47.2	56.8
Tax losses	29.7	75.9
Other temporary and deductible differences	(6.4)	30.3
Deferred tax on acquisitions	(81.2)	(88.4)
Intangible assets	(88.4)	(85.4)
	(99.1)	(10.8)

Details of the deferred tax, amounts recognised in profit or loss are as follows:

	2023 €'m	2022 €'m
Accelerated capital allowances	(2.0)	(1.3)
Employee pension liabilities	—	(0.3)
Other temporary and deductible differences	(39.4)	(26.6)
Leases	0.1	(0.1)
Tax losses	(46.1)	2.0
	(87.4)	(26.3)

Note 34 – Other payables

	2023 €'m	2022 €'m
Non-current liabilities		
Payroll and related expenses	30.6	23.9
Other	4.2	1.0
	34.8	24.9
Current liabilities		
Payroll and related expenses	99.8	99.7
Accrued expenses	76.0	48.2
VAT payable	2.7	3.0
Interest payable	5.9	7.4
Other payables	33.1	10.8
	217.5	169.1

Note 35 – Gaming and other taxes payable

	2023 €'m	2022 €'m
Gaming tax	116.1	112.5
Other	—	0.3
	116.1	112.8

Note 36 – Acquisitions during prior year

On 30 August 2022, the Group acquired 100% of the share capital of Aus GMTC PTY Ltd ("Aus GMTC") which creates content and online games.

The Group paid a total cash consideration of €2.9 million ($3.0 million), with an additional consideration (capped at $50.0 million) in cash payable in 2025 based on a pre-defined EBITDA calculation resulting from the performance of the developed games active during the year ending 30 September 2025. The consideration is calculated based on four times the pre-defined EBITDA for that year, less the cash consideration already paid, plus the €1.8 million loan provided to the acquired company pre-acquisition.

Note 37 – Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party. Also, a party is considered to be related if a member of the key management personnel has the ability to control the other party.

During the year, Group companies entered into the following transactions with related parties which are not members of the Group:

	2023 €'m	2022 €'m
Revenue		
Investments in associates	**193.4**	132.7
Interest income		
Investments in associates	**1.7**	0.8
Operating expenses		
Investments in associates	**0.7**	—
Dividend income		
Investments in associates	**2.0**	—

The revenue from investments in associates includes income from Caliplay, Galera, Wplay, Onjoc, Tenbet and NorthStar. The interest income relates to the same companies except Caliplay and including Stats.

The following amounts were outstanding at the reporting date:

	2023 €'m	2022 €'m
Trade receivables (Note 23)		
Investments in associates	**99.1**	20.5
Other receivables (Note 24)		
Investments in associates	**0.3**	—
Loans and interest receivable – current (Note 24)		
Investments in associates	**1.3**	3.4
Loans and interest receivable – non-current (Note 22)		
Investments in associates	**60.9**	29.0

The loans and interest receivables above do not include the expected credit losses. For the year ended 31 December 2023, the Group recognised a provision for expected credit losses of €0.1 million relating to amounts owed by related parties in less than one year (2022: €0.1 million) and €2.4 million for more than one year (2022: €1.2 million).

The loans due from related parties are further disclosed in Note 21.

Key management personnel compensation, which includes the Board members (Executive and Non-executive Directors) and senior management personnel, comprised the following:

	2023 €'m	2022 €'m
Short-term employee benefits	**16.5**	13.6
Post-employment benefits	**0.1**	0.1
Termination benefits	**0.1**	1.2
Share-based payments	**2.8**	2.2
	19.5	17.1

The Group is aware that a partnership in which a member of key management personnel (who is not a Board member) has a non-controlling interest provides certain advisory and consulting services to third-party service providers of the Group in connection with certain of the Group's structured and other commercial agreements. The partnership contracts with and is compensated by the third-party service providers, and the Group has no direct arrangement with the partnership. The total paid to this partnership by the third-party service providers was €12.5 million (2022: €5.9 million).

Notes to the financial statements continued

Note 38 – Subsidiaries

Details of the Group's principal subsidiaries as at the end of the year are set out below:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Playtech Holdings Limited	Isle of Man	100%	Main trading company of the Group up to December 2020, which owned the intellectual property rights and licensed the software to customers. From January 2021 onwards, following the transfer of intellectual property rights to Playtech Software Limited, the principal activity of this company is the holding of investment in subsidiaries
Playtech Software Limited	United Kingdom	100%	Main trading company from 2021 onwards, owns the intellectual property rights and licenses the software to customers
Video B Holding Limited	British Virgin Islands	100%	Trading company for the Videobet software, owns the intellectual property rights of Videobet and licenses it to customers. From January 2021 onwards, the principal activity is the holding of investment in subsidiaries
Playtech Services (Cyprus) Limited	Cyprus	100%	Manages the iPoker Network in regulated markets and is a main holding company of the Group
VB (Video) Cyprus Limited	Cyprus	100%	Trading company for the Videobet product to Romanian companies
Virtue Fusion (Alderney) Limited	Alderney	100%	Online bingo and casino software provider
Intelligent Gaming Systems Limited	United Kingdom	100%	Casino management systems to land-based businesses
VF 2011 Limited	Alderney	100%	Holds licence in Alderney for online gaming and Bingo B2C operations
PT Turnkey Services Limited	Isle of Man	100%	Holding company of the Turnkey Services group
PT Entretenimiento Online EAD	Bulgaria	100%	Poker and bingo network for Spain
PT Marketing Services Limited	British Virgin Islands	100%	Holding company
PT Operational Services Limited	British Virgin Islands	100%	Holding company
PT Network Management Limited	British Virgin Islands	100%	Holding company
Videobet Interactive Sweden AB	Sweden	100%	Trading company for the Aristocrat Lotteries VLTs
Quickspin AB	Sweden	100%	Owns video slots intellectual property
Best Gaming Technology GmbH	Austria	100%	Trading company for sports betting
Playtech BGT Sports Limited	Cyprus	100%	Trading company for sports betting and provider of development services
ECM Systems Ltd	United Kingdom	100%	Owns bingo software intellectual property and bingo hardware
Eyecon Limited	Alderney	100%	Develops and provides online gaming slots
Rarestone Gaming PTY Ltd	Australia	100%	Development company
HPYBET Austria GmbH	Austria	100%	Operating shops in Austria
Snaitech SPA	Italy	100%	Italian retail betting market and gaming machine market
OU Playtech (Estonia)	Estonia	100%	Designs, develops and manufactures online software
Techplay Marketing Limited	Israel	100%	Provider of marketing support services, software development and support services
OU Videobet	Estonia	100%	Develops software for fixed odds betting terminals and casino machines (as opposed to online software)
Playtech Bulgaria EOOD	Bulgaria	100%	Designs, develops and manufactures online software
PTVB Management Limited	Isle of Man	100%	Management services company
Techplay S.A. Software Limited	Israel	100%	Software development and operational support services
CSMS Limited	Bulgaria	100%	Consulting and online technical support, data mining processing and advertising services to Group companies
Mobenga AB Limited	Sweden	100%	Mobile sportsbook betting platform developer
PokerStrategy Ltd	Gibraltar	100%	Operates poker community business
Snai Rete Italia S.r.l.	Italy	100%	Italian retail betting market
PT Services UA LTD	Ukraine	100%	Designs, develops and manufactures software
Trinity Bet Operations Ltd	Malta	100%	Retail and digital sports betting
Euro live Technologies SIA	Latvia	100%	Provider of live services to Group companies

Note 39 – Financial instruments and risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments of the Group, from which financial instrument risks arises, are as follows:

- trade receivables;
- loans receivable;
- convertible loans;
- cash and cash equivalents;
- investments in equity securities;
- derivative financial assets;
- trade payables;
- bonds;
- loans and borrowings; and
- contingent consideration.

Financial instrument by category
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

			Carrying amount	Fair value		
	Note	Measurement category	2023 €'m	Level 1 €'m	Level 2 €'m	Level 3 €'m
31 December 2023						
Non-current assets						
Equity investments	21B	FVTPL	92.8	15.8	–	77.0
Derivative financial assets	21C	FVTPL	827.8	–	–	827.8
Convertible loans	22	FVTPL	3.5	–	–	3.5
Trade receivables	23	Amortised cost	1.9	–	–	–
Loans receivable	22	Amortised cost	58.1	–	–	–
Current assets						
Trade receivables	23	Amortised cost	207.1	–	–	–
Loans receivables	24	Amortised cost	1.7	–	–	–
Cash and cash equivalents	25	Amortised cost	516.2	–	–	–
Non-current liabilities						
Bonds	29	Amortised cost	646.1	–	–	–
Lease liability	19	Amortised cost	61.9	–	–	–
Contingent consideration	31	FVTPL	5.8	–	–	5.8
Current liabilities						
Trade payables	32	Amortised cost	66.9	–	–	–
Lease liability	19	Amortised cost	24.9	–	–	–
Progressive operators' jackpots and security deposits	25	Amortised cost	111.0	–	–	–
Client funds	25	Amortised cost	41.9	–	–	–
Contingent consideration	31	FVTPL	0.4	–	–	0.4
Interest payable	34	Amortised cost	5.9	–	–	–

Notes to the financial statements continued

Note 39 – Financial instruments and risk management continued

Financial instrument by category continued

	Note	Measurement category	Carrying amount 2022 €'m	Fair value Level 1 €'m	Fair value Level 2 €'m	Fair value Level 3 €'m
31 December 2022						
Non-current assets						
Equity investments	21B	FVTPL	9.2	1.4	—	7.8
Derivative financial assets	21C	FVTPL	636.4	—	—	636.4
Trade receivables	23	Amortised cost	1.1	—	—	—
Loans receivable	22	Amortised cost	29.6	—	—	—
Current assets						
Trade receivables	23	Amortised cost	163.9	—	—	—
Convertible loans	24	FVTPL	8.3	—	—	8.3
Loans receivables	24	Amortised cost	8.0	—	—	—
Cash and cash equivalents	25	Amortised cost	426.5	—	—	—
Non-current liabilities						
Bonds	29	Amortised cost	348.0	—	—	—
Lease liability	19	Amortised cost	54.0	—	—	—
Contingent consideration	31	FVTPL	2.3	—	—	2.3
Current liabilities						
Bonds	29	Amortised cost	199.6	—	—	—
Trade payables	32	Amortised cost	61.2	—	—	—
Lease liability	19	Amortised cost	31.8	—	—	—
Progressive operators' jackpots and security deposits	25	Amortised cost	114.3	—	—	—
Client funds	25	Amortised cost	39.8	—	—	—
Contingent consideration	31	FVTPL	0.6	—	—	0.6
Interest payable	34	Amortised cost	7.4	—	—	—

The fair value of the contingent consideration is calculated by discounting the estimated cash flows. The valuation model considers the present value of the expected future payments, discounted using a risk adjusted discount rate.

For details of the fair value hierarchy, valuation techniques and significant unobservable inputs relating to determining the fair value of derivative financial assets, which are classified as Level 3 of the fair value hierarchy, refer to Note 21C.

The carrying amount does not materially differ from the fair value of the financial assets and liabilities.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Further details regarding these policies are set out below:

Note 39 – Financial instruments and risk management continued

A. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), its investing activities through loans made and from its financing activities, including deposits with banks and financial institutions. After the impairment analysis performed at the reporting date, the expected credit losses (ECLs) are €9.7 million (2022: €6.5 million). As at 31 December 2023, two customers had combined loans and receivables outstanding of €139.7 million.

Cash and cash equivalents

The Group held cash and cash equivalents (before ECL) of €516.6 million as at 31 December 2023 (2022: €426.9 million). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated from Caa- to AA+, based on Moody's ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for trade receivables. The ECL on cash balances as at 31 December 2023 is €0.4 million (2022: €0.4 million).

A reasonable movement in the inputs of the ECL calculation of cash and cash equivalents does not materially change the ECL to be recognised.

	Total €'m	Financial institutions with A- and above rating €'m	Financial institutions with below A- rating and no rating €'m
At 31 December 2023	**516.6**	**337.0**	**179.6**
At 31 December 2022	426.9	214.2	212.7

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The trade balances from related parties have also been included in the ECL assessment. The expected loss rates are calculated based on past default experience and an assessment of the future economic environment. The ECL is calculated with reference to the ageing and risk profile of the balances.

As at 31 December 2023, the Group has trade receivables of €209.0 million (2022: €165.0 million) which is net of an allowance for ECL of €6.8 million (2022: €4.5 million).

The carrying amounts of financial assets represent the maximum credit exposure.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

31 December 2023	**Total €'m**	**Not past due €'m**	**1–2 months overdue €'m**	**More than 2 months past due €'m**
Expected credit loss rate	**3.2%**	**4.8%**	**1.0%**	**2.1%**
Gross carrying amount	**215.8**	**109.3**	**62.9**	**43.6**
Expected credit loss	**(6.8)**	**(5.3)**	**(0.6)**	**(0.9)**
Trade receivables – net	**209.0**	**104.0**	**62.3**	**42.7**

31 December 2022	Total €'m	Not past due €'m	1–2 months overdue €'m	More than 2 months past due €'m
Expected credit loss rate	2.7%	3.0%	1.1%	2.9%
Gross carrying amount	169.5	124.8	27.2	17.5
Expected credit loss	(4.5)	(3.7)	(0.3)	(0.5)
Trade receivables – net	165.0	121.1	26.9	17.0

Notes to the financial statements continued

Note 39 – Financial instruments and risk management continued

A. Credit risk continued

Trade receivables continued

A reasonable movement in the inputs of the ECL calculation of trade receivables does not materially change the ECL to be recognised.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within the impairment of financial assets. Subsequent recoveries of amounts previously written off are credited against the same line item.

The movement in the ECL in respect of trade receivables during the year was as follows:

	2023 €'m	2022 €'m
Balance at 1 January	**4.5**	6.8
Charged to profit or loss	**2.3**	(2.3)
Balance at 31 December	**6.8**	4.5

As of 31 December 2023, the Group has a significant concentration of trade receivables from a related party. The balance outstanding from this related party represents 41% of the net trade receivable balance. This concentration of receivables from a related party exposes the Group to concentration risk, as any adverse financial performance or inability of the related party to fulfil its obligations could have a material adverse impact on the Group's financial position, results of operations and cash flows. The Group believes that this amount is recoverable and expects timely payment (refer to Note 7 for significant judgement made).

Loans receivable

The Group recognised an allowance for expected credit losses for all debt instruments given to third parties based on past default experience and assessment of the future economic environment. For the year ended 31 December 2023, the Group recognised provision for expected credit losses of €2.5 million in profit or loss relating to loans receivable (2022: €1.6 million).

	2023 €'m	2022 €'m
Balance at 1 January	**1.6**	—
Charged to profit or loss	**0.9**	1.6
Balance at 31 December	**2.5**	1.6

Furthermore, €3.0 million of an existing loan to Gameco was impaired during the year ended 31 December 2022 (refer to Note 21B).

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments. Balances due within one year equal their carrying balances as the impact of discounting is not significant.

		Contractual cash flows			
2023	Carrying amount €'m	Total €'m	Within 1 year €'m	1–5 years €'m	More than 5 years €'m
Bonds	**646.1**	**762.8**	**32.5**	**730.3**	**—**
Lease liability	**86.8**	**96.8**	**26.7**	**53.5**	**16.6**
Contingent consideration	**6.2**	**7.8**	**0.4**	**7.4**	**—**
Trade payables	**66.9**	**66.9**	**66.9**	**—**	**—**
Progressive operators' jackpots and security deposits	**111.0**	**111.0**	**111.0**	**—**	**—**
Client funds	**41.9**	**41.9**	**41.9**	**—**	**—**
Interest payable	**5.9**	**5.9**	**5.9**	**—**	**—**
Provisions for risks and charges	**9.5**	**9.5**	**0.6**	**8.9**	**—**
	974.3	**1,102.6**	**285.9**	**800.1**	**16.6**
2022					
Bonds	547.6	604.6	221.1	383.5	—
Lease liability	85.8	110.2	34.1	43.1	33.0
Contingent consideration	2.9	7.9	0.2	7.7	—
Trade payables	61.2	61.2	61.2	—	—
Progressive operators' jackpots and security deposits	114.3	114.3	114.3	—	—
Client funds	39.8	39.8	39.8	—	—
Interest payable	7.4	7.4	7.4	—	—
Provisions for risks and charges	13.9	13.9	3.9	10.0	—
	872.9	959.3	482.0	444.3	33.0

Note 39 – Financial instruments and risk management continued

C. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk arises because the Group has operations located in various parts of the world. However, the functional currency of those operations is the same as the Group's primary currency (Euro) and the Group is not substantially exposed to fluctuations in exchange rates in respect of assets held overseas.

Foreign exchange risk also arises when the Group operations enter into foreign transactions, and when the Group holds cash balances, in currencies denominated in a currency other than the functional currency.

31 December 2023	In EUR €'m	In USD €'m	In GBP €'m	In other currencies €'m	Total €'m
Cash and cash equivalents	418.7	11.2	69.7	17.0	516.6
Progressive operators' jackpots and security deposits	(140.3)	(0.4)	(12.2)	—	(152.9)
Cash and cash equivalents less client funds	**278.4**	**10.8**	**57.5**	**17.0**	**363.7**

31 December 2022	In EUR €'m	In USD €'m	In GBP €'m	In other currencies €'m	Total €'m
Cash and cash equivalents	338.5	5.8	60.2	22.4	426.9
Progressive operators' jackpots and security deposits	(139.0)	(0.2)	(14.9)	—	(154.1)
Cash and cash equivalents less client funds	199.5	5.6	45.3	22.4	272.8

The Group's policy is not to enter into any currency hedging transactions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate bonds and loans and borrowings. At 31 December 2023, none of the Group's borrowings are at a variable rate of interest (2022: Nil%).

Any reasonably possible change to the interest rate would have an immaterial effect on the interest payable.

Equity price risk

The Group is exposed to market risk by way of holding some investments in other companies on a short-term basis. Variations in market value over the life of these investments will have an immaterial impact on the balance sheet and the statement of comprehensive income.

Notes to the financial statements continued

Note 40 – Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities					
	Loans and borrowings €'m	Bonds €'m	Interest on loans and borrowings and bonds €'m	Contingent consideration and redemption liability €'m	Lease liabilities €'m	Total €'m
Balance at 1 January 2023	—	547.6	7.3	2.9	85.8	643.6
Changes from financing cash flows						
Interest payable on bonds and loans and borrowings	—	—	(31.3)	—	—	(31.3)
Repayment of loans and borrowings	(77.4)	—	—	—	—	(77.4)
Proceeds from loans and borrowings	79.9	—	—	—	—	79.9
Proceeds from the issuance of bonds	—	297.2	—	—	—	297.2
Repayment of bonds	—	(200.0)	—	—	—	(200.0)
Payment of contingent consideration	—	—	—	(0.2)	—	(0.2)
Principal paid on lease liability	—	—	—	—	(23.1)	(23.1)
Interest paid on lease liability	—	—	—	—	(5.2)	(5.2)
Total changes from financing cash flows	2.5	97.2	(31.3)	(0.2)	(28.3)	39.9
Other changes						
Liability related						
New leases	—	—	—	—	22.0	22.0
On business combinations	—	—	—	0.4	1.9	2.3
Interest on bonds and loans and borrowings	—	1.3	29.6	—	—	30.9
Interest on lease liability	—	—	—	—	5.2	5.2
Movement in contingent consideration	—	—	—	3.3	—	3.3
Foreign exchange difference	(2.5)	—	0.3	(0.2)	0.2	(2.2)
Total liability-related other changes	(2.5)	1.3	29.9	3.5	29.3	61.5
Balance at 31 December 2023	—	646.1	5.9	6.2	86.8	745.0

Note 40 – Reconciliation of movement of liabilities to cash flows arising from financing activities continued

	Liabilities					
	Loans and borrowings €'m	Bonds €'m	Interest on loans and borrowings and bonds €'m	Contingent consideration and redemption liability €'m	Lease liabilities €'m	Total €'m
Balance at 1 January 2022	167.1	875.0	10.4	11.0	95.3	1,158.8
Changes from financing cash flows						
Interest payable on bonds and loans and borrowings	—	—	(36.7)	—	—	(36.7)
Repayment of loans and borrowings	(166.1)	—	—	—	—	(166.1)
Repayment of bonds	—	(330.0)	—	—	—	(330.0)
Payment of contingent consideration and redemption liability	—	—	—	(5.9)	—	(5.9)
Principal paid on lease liability	—	—	—	—	(22.5)	(22.5)
Interest paid on lease liability	—	—	—	—	(5.7)	(5.7)
Total changes from financing cash flows	(166.1)	(330.0)	(36.7)	(5.9)	(28.2)	(566.9)
Other changes						
Liability related						
New leases	—	—	—	—	19.0	19.0
Interest on bonds and loans and borrowings	—	2.6	33.6	—	—	36.2
Interest on lease liability	—	—	—	—	5.7	5.7
Movement in deferred and contingent consideration and redemption liability	—	—	—	(4.3)	—	(4.3)
Payment of contingent consideration related to investments	—	—	—	(1.0)	—	(1.0)
Additional contingent consideration	—	—	—	2.9	—	2.9
Disposal of subsidiary/discontinued operations	—	—	—	—	(4.7)	(4.7)
Foreign exchange difference	(1.0)	—	—	0.2	(1.3)	(2.1)
Total liability-related other changes	(1.0)	2.6	33.6	(2.2)	18.7	51.7
Balance at 31 December 2022	—	547.6	7.3	2.9	85.8	643.6

Note 41 – Events after the reporting date

Post year end, the Group entered into a new structured agreement with Tenlot El Salvador S.A. de C.V. ("Tenlot El Salvador"), which has a licence to operate online betting and gaming on behalf of the national lottery of El Salvador. Under the agreement, the Group will provide Tenlot El Salvador its technological platform, the operational services and related services, where it will receive in return standard operator revenue and additional B2B services fee as per Note 10. The Group has no shareholding in Tenlot El Salvador. Playtech has paid Tenlot El Salvador an amount of $2.3 million and will pay an additional $2.5 million upon certain conditions in exchange for an option to acquire 70% of the shares in Tenlot El Salvador. The option has certain exercise conditions. Playtech also made available to Tenlot El Salvador a $5.5 million line of credit. As of the date of this report this amount remains undrawn.

Post year end, the Group formally concluded the extension of the exercise date in respect of the Wplay option (see Note 21C) to any date after 22 February 2025.

Post year end, the receivable in Note 7 in relation to Caliplay remains unpaid. In addition, further invoices totalling €35.8 million in relation to B2B licensee fees and additional B2B services fee for January and February 2024 have been issued and remain unpaid.

Company statement of changes in equity

For the year ended 31 December 2023

	Additional paid in capital €'m	Employee Benefit Trust €'m	Retained earnings €'m	Total equity €'m
Balance at 1 January 2022	**606.0**	**(22.6)**	**656.2**	**1,239.6**
Total comprehensive loss for the year				
Loss for the year	—	—	(23.9)	(23.9)
Total comprehensive loss for the year	**—**	**—**	**(23.9)**	**(23.9)**
Transactions with the owners of the Company				
Contributions and distributions				
Exercise of options	—	5.4	(6.0)	(0.6)
Equity settled share based payment charge (Note 11)	—	—	8.3	8.3
Total transactions with the owners of the Company	**—**	**5.4**	**2.3**	**7.7**
Balance at 31 December 2022	**606.0**	**(17.2)**	**634.6**	**1,223.4**
Balance at 1 January 2023	**606.0**	**(17.2)**	**634.6**	**1,223.4**
Total comprehensive loss for the year				
Loss for the year	—	—	(689.3)	(689.3)
Total comprehensive loss for the year	**—**	**—**	**(689.3)**	**(689.3)**
Transactions with the owners of the Company				
Contributions and distributions				
Exercise of options	—	11.9	(11.9)	—
Equity settled share based payment charge (Note 11)	—	—	6.3	6.3
Transfer from treasury shares to Employee Benefit Trust (Note 11)	5.8	(12.5)	6.7	—
Total transactions with the owners of the Company	**5.8**	**(0.6)**	**1.1**	**6.3**
Balance at 31 December 2023	**611.8**	**(17.8)**	**(53.6)**	**540.4**

Company balance sheet
As at 31 December 2023

	Note	2023 €'m	2022 €'m
Non-current assets			
Investments in subsidiaries	7	**1,647.9**	1,208.7
Investments in associates	8	**49.8**	35.0
Derivative financial asset	8	**4.8**	1.4
Other investments	8	**14.6**	—
Trade and other receivables	9	**67.0**	770.5
Deferred tax asset		**—**	23.4
Other non-current assets		**0.3**	0.3
		1,784.4	2,039.3
Current assets			
Trade and other receivables	9	**9.4**	14.8
Cash and cash equivalents	10	**26.7**	2.5
		36.1	17.3
TOTAL ASSETS		**1,820.5**	2,056.6
Equity			
Additional paid in capital		**611.8**	606.0
Employee Benefit Trust		**(17.8)**	(17.2)
Retained earnings		**(53.6)**	634.6
	11	**540.4**	1,223.4
Non-current liabilities			
Other payables	14	**10.3**	9.4
Bonds	13	**646.1**	348.0
		656.4	357.4
Current liabilities			
Bonds	13	**—**	199.6
Trade and other payables	14	**623.7**	276.2
		623.7	475.8
TOTAL EQUITY AND LIABILITIES		**1,820.5**	2,056.6

The financial information was approved by the Board and authorised for issue on 26 March 2024.

Mor Weizer
Chief Executive Officer

Chris McGinnis
Chief Financial Officer

Notes to the Company financial statements

Note 1 – General

The principal activity of Playtech plc (the "Company") is the holding of investment in subsidiaries.

Note 2 – Basis of preparation

The financial statements have been prepared in accordance with FRS 101 "Reduced Disclosure Framework" and updated for amendments issued subsequently.

The Company has taken advantage of certain disclosure exemptions conferred by FRS 101 and has not provided:

- a statement of compliance with IFRS (a statement of compliance with FRS 101 is provided instead);
- a statement of profit or loss and other comprehensive income as per the requirements of IAS 1 Presentation of Financial Statements;
- a statement of cash flows as per the requirements of IAS 1 Presentation of Financial Statements;
- disclosure of the effect of future accounting standards not yet adopted;
- disclosure of compensation for key management personnel and amounts incurred by the Company for the provision of key management personnel services provided;
- additional comparative information as per IAS 1 Presentation of Financial Statements paragraph 38 in respect of reconciliation of the number of shares outstanding at the start and end of the prior period; and
- disclosures in relation to the objectives, policies and process for managing capital.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of Playtech plc. These financial statements do not include certain disclosures in respect of:

- share-based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment;
- financial instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures; and
- fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement.

Details of the Company's accounting policies are included in Note 5.

Going concern basis

Detailed reference to the exact procedures applied by the Directors in ensuring that the Company will have adequate financial resources to continue in operational existence over the relevant going concern period are described in Note 2 of the Group consolidated financial statements. Based on this Note it is therefore considered appropriate to adopt the going concern basis in the preparation of the Company's financial statements.

Note 3 – Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional and presentation currency. All amounts have been rounded to the nearest million, unless otherwise indicated.

Note 4 – Accounting standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended accounting standards disclosed in the Group consolidated financial statements in preparing these financial statements.

Note 5 – Material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company "controls" an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified. Subsequent changes in value include employee share option additions and subsidiary capital contributions in the form of debt settlement.

Note 5 – Material accounting policies continued

Associates and equity call options

An associate is an entity over which the Company has significant influence and is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in associate is initially recognised in the balance sheet at cost and adjusted thereafter to recognise the Company's share in profit or loss.

When potential voting rights or other derivatives containing potential voting rights exist, the Company's interest in an associate is determined solely on the basis of existing ownership interests and does not reflect the possible exercise or conversion of potential voting rights and other derivative instruments unless there is an existing ownership interest as a result of a transaction that currently gives it access to the returns associated with an ownership interest. In such circumstances, the proportion allocated to the entity is determined by taking into account the eventual exercise of those potential voting rights and other derivative instruments that currently give the entity access to the returns. When instruments containing potential voting rights in substance currently give access to the returns associated with an ownership interest in an associate or a joint venture, the instruments are not subject to IFRS 9 and equity accounting is applied. In all other cases, instruments containing potential voting rights in an associate or a joint venture are accounted for in accordance with IFRS 9.

A derivative financial asset is measured at fair value under IFRS 9. In the case where there is significant influence over the investment under which Playtech holds the derivative financial asset this should be accounted under IAS 28 Investment in Associates. However, if the option is not currently exercisable and there is no current access to profits, the option is fair valued without applying equity accounting to the investment in associate.

Derivatives are recorded at fair value and classified as assets when their fair value is positive and as liabilities when their fair value is negative. Subsequently, derivatives are measured at fair value.

Interest income

Interest income is recognised over time, on a time-proportion basis, using the effective interest method.

Interest expense

Interest expense is charged to profit or loss over the time the relevant interest relates to.

Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates, the Euro (€) (its functional currency).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items, carried at fair value, are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income and then equity.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial instruments

(i) Recognition

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets at amortised cost

(i) Classification

The Company classifies its financial assets at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are classified on the first day of the first reporting period following the change in business model.

Notes to the Company financial statements continued

Note 5 – Material accounting policies continued

Financial assets at amortised cost continued

(ii) Measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Financial assets are measured at amortised cost and arise principally through intercompany balances being amounts from other Group companies in the ordinary course of business, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs. The Company holds the intercompany receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate method, less provision for impairment.

Other receivables consist of amounts generally arising from transactions outside the usual operating activities of the Company such as the proceeds from disposal of investment. Due to the short-term nature of the other current receivables, their carrying amount is considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(iv) Impairment

The Company has assessed all types of financial assets that are subject to the expected credit loss model:

- intercompany receivables; and
- cash and cash equivalents.

For intercompany receivables and cash and cash equivalents, the Company applies the general approach for calculating the expected credit losses. Due to the short-term nature of these assets (i.e. less than 12 months), the Company recognises expected credit losses over the lifetime of the assets.

ECL on intercompany receivables is based on past default experience and an assessment of the future economic environment. ECL and specific provisions are considered and calculated with reference to the ageing and risk profile of the balances. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations based on the Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Based on past experience and how the Company operates in relation to intercompany positions, the ECL is negligible because these balances are usually cleared, either through repayment or capital contribution.

For cash and cash equivalents, management has assessed that no impairment arises since they are held with banks under current accounts and the Company has access to those funds at any time. The Company has also assessed whether an ECL on cash is needed based on reviewing Moody's ratings for each financial institution cash is held. As a result, the probability of default of each institution is considered insignificant.

Financial assets at fair value through profit or loss

(i) Classification and measurement

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are measured at fair value through profit or loss at the end of each reporting period, with any fair value gains or losses recognised in profit or loss.

Financial liabilities

(i) Classification and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash in banks and demand deposits and are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI; and (ii) they are not designated at FVTPL.

Note 5 – Material accounting policies continued

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised at fair value and subsequently at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity and are stated at the proceeds received net of direct issue costs.

Employee Benefit Trust

Consideration paid/received for the purchase/sale of shares subsequently put in the Employee Benefit Trust is recognised directly in equity. The cost of shares held is presented as a separate reserve (the "Employee Benefit Trust reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

Note 6 – Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The areas requiring the use of estimates and critical judgements that may potentially have a significant impact on the Company's earnings and financial position are detailed below.

Estimates and assumptions

Impairment of investment in subsidiary companies

The Company is required to test if events or changes in circumstances indicate that the carrying amount of its investments may not be recoverable.

In making this assessment there were no indicators of impairment evident and, as such, no investments were impaired, although further disclosures are included below on two of the significant investments the Company holds. Note 7 provides further information on the Company's investments.

Investment in Playtech Holdings Limited and its relevant subsidiaries

The investment in Playtech Holdings Limited and its relevant subsidiaries of €907.4 million includes the Snai operations which comfortably cover the investment value.

Investment in Playtech Software Limited

Playtech Software Limited ("PTS") holds a significant number of key IP and major activities of the Group. On 21 December 2023 Playtech Plc released and discharged PTS from its loan obligation of €948.6 million, which had a carrying amount of €352.3 million as a result of an impairment of €596.3 million. This constituted a change of intention as at 31 December 2022 the Company had previously intended to net settle the loan due from PTS and the associated payable to them.

The discharging of the loan increased the investment value in PTS by €352.3 million, which was deemed to be the cost of the additional investment in PTS at the point the obligation was discharged. This resulted in an income statement charge of €596.3 million being the difference between investment value and loan discharged. Following the discharging of the loan the carrying value of the investment in PTS at 31 December 2023 was €512.5 million.

Management has assessed the increased investment cost and hence the carrying value of the investment at 31 December 2023 using 5-year cash flow projections, taking the Company's three-year plan and additional two years of forecasts. The recoverable amount of the investment has been determined from value in use calculations, with appropriate capital expenditure, tax and net debt. The discounted cash flow model also takes into account the availability of both recognised and unrecognised tax losses.

The recoverable amount which equalled the carrying amount of the investment of €512.5 million was determined using a discount rate of 15.9%, with annual revenue growth rates of between 5.0% and 10.0% per year, a terminal growth rate of 2.0%, and average EBITDA growth rates of 15.0% over the forecast period. The carrying value is sensitive to movements in key assumptions, as follows:

- if the revenue growth rate per annum is reduced by 1.0%, this would result in an impairment of €42.6 million;
- if the discount rate increased by 1.0% to a post-tax discount rate of 16.9%, this would result in an impairment of €20.6 million; and
- if the EBITDA growth rate per annum is reduced by 1.0%, an additional impairment of €7.8 million would be recognised.

Included in PTS are cashflows relating to Caliplay through recharges for use of IP to another Group company. Whilst the contract between this Group company and Caliplay under which we are entitled to receive fees is expiring in 2034, and this was the base assumption in the cashflows used in the impairment review, should there be material changes to the cash flows arising from the Caliplay contract this could potentially lead to a material impairment in the Company's investment in PTS.

Derivative financial assets

As per Note 21A of the Group consolidated financial statements, the Company holds an option to acquire further shares (up to 18.11%) in LSports. The fair value assessment for this option falls under Level 3 of the fair value hierarchy. As such, the Company has used a model with unobservable inputs for the valuation, which are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. Unobservable inputs for the LSports option were determined based on the best information available and using the Monte Carlo simulation model. The fair value of the LSports option at 31 December 2023 was €4.8 million (2022: €1.4 million).

Notes to the Company financial statements continued

Note 6 – Critical accounting estimates and judgements continued

Estimates and assumptions continued

Impairment of financial assets

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company's financial assets consist of intercompany receivables and cash and cash equivalents. ECL on cash balances was considered and calculated by reference to Moody's credit rating for each financial institution.

Impairment of non-financial assets

Investment in associates

In assessing impairment of investments in associates, management utilises various assumptions and estimates that include projections of future cash flows generated by the associate, determination of appropriate discount rates reflecting the risks associated with the investment, and consideration of market conditions relevant to the investee's industry. The Company exercises judgement in evaluating impairment indicators and determining the amount of impairment loss, if any. This involves assessing the recoverable amount of the investment based on available information and making decisions regarding the appropriateness of key assumptions used in impairment testing.

Deferred tax asset

In evaluating the Company's ability to recover deferred tax assets in the jurisdiction from which they arise, management considers all available positive and negative evidence, projected future taxable income, tax-planning strategies and results of recent operations. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Judgement is required in determining the initial recognition and the subsequent carrying value of the deferred tax assets. Deferred tax asset is only able to be recognised to the extent that utilisation is considered probable. It is possible that a change in profit forecasts or risk factors could result in a material change to the income tax expense and deferred tax asset in future periods. The key items for which the reported tax charge has been adjusted in 2023 are UK tax losses on which a deferred tax asset of €23.4 million was derecognised as expected utilisation would fall outside the forecasting period and therefore there is not sufficient certainty they will be recovered.

Note 7 – Investments in subsidiaries

	2023 €'m	2022 €'m
Investment in subsidiaries at 1 January	**1,208.7**	1,201.4
Additional capital contribution[1]	**352.3**	—
Additions in the year[2]	**80.6**	—
Employee stock options	**6.3**	8.1
Disposals[3]	**—**	(0.8)
Investment in subsidiaries at 31 December	**1,647.9**	1,208.7

1 On 21 December 2023 Playtech Plc released and discharged PTS from its loan obligation of €948.6 million, which had a carrying amount of €352.3 million. This loan arose following an internal restructuring which resulted in the Group's key operating entity transferring its business to PTS in 2021. As consideration for Playtech Plc releasing PTS from its obligations, PTS issued fourteen ordinary shares to Playtech Plc at nominal value (€1 each). This increased the investment value held by Playtech Plc in PTS by €352.3 million, which was deemed to be the cost of the additional investment in PTS at the point the obligation was discharged.

2 In March 2023, the Company acquired PT Holdings (Delaware) Inc from Playtech Services (Cyprus) Limited, another Playtech Group company, for a nominal amount of $8.0 being the net book value of the shares at the time. Playtech plc then subscribed for additional shares in the newly acquired subsidiary for cash consideration of $85.0 million. On the same date, PT Holdings (Delaware) Inc invested $85.0 million (€79.8 million) in Hard Rock Digital (HRD) in exchange for a small minority interest in a combination of equity shares and warrants.

3 In July 2022, the Company completed the disposal of its investment in Finalto Group Limited (formerly known as TradeTech Holdings Limited) realising a profit on disposal of €49.0 million. Out of the €0.8 million disposals, the €0.4 million relates to PT Gaming Limited which was dissolved during 2022.

Note 7 – Investments in subsidiaries continued

The details of the investments are as follow:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Playtech Holding Limited (ex. Playtech Software Limited)	Isle of Man	100%	Holding company, transferred its activities in 2021 to Playtech Software Ltd UK
Video B Holding Limited	British Virgin Islands	100%	Trading company for the Videobet software, owns the intellectual property rights of Videobet and licenses it to customers
PTVB Management Limited	Isle of Man	100%	Management company
Technology Trading IOM Limited	Isle of Man	100%	Holding company
PT Turnkey Services Limited	Isle of Man	100%	Holding company of the Turnkey Services Group
Playtech Holding Sweden AB Limited	Sweden	100%	Holding company of Mobenga AB
Roxwell Investments Limited	Isle of Man	100%	Holds the Employee Benefit Trust (2014 EBT)
Factime Investments Ltd	Isle of Man	100%	Holding company of Juego Online EAD
VS Technology Limited	United Kingdom	100%	Licensing online gaming software and games to customers in South America
Playtech Software Limited	United Kingdom	100%	Main trading company from 2021, owns the intellectual property rights and licenses the software to customers
PT Holdings (Delaware) Inc	USA	100%	Holds the Hard Rock Digital (HRD) investment and the US subsidiaries including PT Services (Delaware) LLC
Playtech Retail Limited	British Virgin Islands	100%	Dormant company

Note 8 – Investments in associates, derivative financial assets and other investments

Investment in associates

The Company has the following investments in associates:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
LSports Data Limited	Israel	31%	Partners with sportsbooks to create engaging customer offerings by utilising the most accurate real-time data on a broad range of events
NorthStar Gaming Inc.	Canada	27.5%	Offers access to regulated sports betting markets and robust casino offerings and live dealer games
Sporting News Holdings Limited	Isle of Man	12.6%	Specialists in selling digital advertising and inventory, offers digital media services

Balance sheet	2023 €'m	2022 €'m
LSports Data Limited	**35.2**	35.0
NorthStar Gaming Inc.	**9.0**	—
Sporting News Holdings Limited	**5.6**	—
Investments in associates at 31 December	**49.8**	35.0

Profit and loss impact	2023 €'m	2022 €'m
LSports Data Limited	**2.1**	(0.3)
NorthStar Gaming Inc.	**(2.8)**	—
Sporting News Holdings Limited	**(0.2)**	—
Total share of loss from associates	**(0.9)**	(0.3)

Notes to the Company financial statements continued

Note 8 – Investments in associates, derivative financial assets and other investments continued

Investment in associates continued

Movement on the balance sheet

	LSports €'m	NorthStar €'m	Sporting News Holdings Limited €'m	Total €'m
Balance as at 31 December 2022/1 January 2023	35.0	—	—	35.0
Additions	—	3.4	5.8	9.2
Conversion of convertible loan to shares	—	8.4	—	8.4
Share of profit/(loss)	2.1	(2.8)	(0.2)	(0.9)
Dividend income	(1.9)	—	—	(1.9)
Balance as at 31 December 2023	**35.2**	**9.0**	**5.6**	**49.8**

Note 21A of the Group consolidated financial statements includes all the information in relation to these investments.

Derivative financial assets

As per Note 21A of the Group consolidated financial statements, the Company holds an option to acquire further shares (up to 18.11%) in LSports. The fair value of the option at 31 December 2023 was €4.8 million (2022: €1.4 million).

Other investments

In 2023, the Company acquired shares in a listed security for €14.3 million. The fair value of these shares is determined by reference to published price quotations in an active market. In the year ended 31 December 2023, the fair value of these shares has increased by €0.3 million, to a total of €14.6 million.

Note 9 – Trade and other receivables

	2023 €'m	2022 €'m
Other receivables	3.5	—
Amounts due from subsidiary undertakings	63.5	770.5
Total non-current	**67.0**	770.5
Other receivables	1.8	9.8
Amounts due from subsidiary undertakings	7.6	5.0
Total current	**9.4**	14.8

During 2023, the Company impaired €1.3 million of receivables from PT Investments GC Inc. given that the latter company also impaired the remaining part of its external receivables (2022: impairment of €2.4 million).

During 2023, Playtech plc released and discharged Playtech Software Limited ("PTS") from PTS's obligation to pay to the Company an amount of €948.6 million, which was a net receivable created following an internal restructuring which resulted in the Group's key operating entity transferring its business to PTS in 2021. As consideration for Playtech plc releasing PTS from its obligations, PTS issued 14 ordinary shares to Playtech plc at nominal value (€1 each). This increased the investment value held by Playtech plc in PTS by €352.3 million, which was deemed to be the cost of the additional investment in PTS at the point the obligation was discharged.

The total non-current amount due from subsidiary undertakings at 31 December 2022 of €770.5 million included the receivable of €948.6 million which was netted off by a payable to PTS of €179.5 million at 31 December 2022. As at 31 December 2022, it was expected that this amount would be settled net. The payable amount of €179.5 million has decreased to €167.7 million at 31 December 2023 and is now included in current liabilities.

Included in other receivables at 31 December 2022 was a convertible debenture of C$12.25 million (€8.4 million) issued to NorthStar Gaming Inc in 2022 that subsequently converted to equity and warrants in 2023 following NorthStar's reverse takeover (the "RTO") of Baden Resources Inc. A new convertible loan was issued to NorthStar in 2023 of C$5.0 million (€3.4 million). The fair value of the convertible debenture was assessed as being materially in line with its face value at 31 December 2023. Refer to Note 21A of the Group consolidated financial statements for further details.

Finally, in March 2023 and following acquisition of PT Holdings (Delaware) Inc from Playtech Services (Cyprus) Limited, the Company was also assigned by Playtech Services (Cyprus) Limited to the rights of a $35.3 million loan receivable due from PT Holdings (Delaware) Inc bearing interest at 4% repayable on or prior to 30 April 2029.

Note 10 – Cash and cash equivalents

	2023 €'m	2022 €'m
Cash at bank	**26.7**	2.5

Note 11 – Shareholders' equity

Please refer to Note 27 of the Group consolidated financial statements.

Note 12 – Loans and borrowings

Please refer to Note 28 of the Group consolidated financial statements.

Note 13 – Bonds

Please refer to Note 29 of the Group consolidated financial statements.

Note 14 – Trade and other payables

	2023 €'m	2022 €'m
Suppliers and accrued expenses	**5.7**	6.6
Payroll and related expenses	**47.4**	37.9
Amounts owed to subsidiary undertakings	**575.7**	234.4
Accrued interest	**5.2**	6.7
	634.0	285.6

	2023 €'m	2022 €'m
Split to:		
Non-current	**10.3**	9.4
Current	**623.7**	276.2
	634.0	285.6

In 2022, the Company was granted a €214.0 million loan from Playtech Services (Cyprus) Limited, which was used to partially repay €330.0 million of the 2018 Bond. The loan bears interest at the rate of 3.5% and is repayable upon demand. At the same time, a separate loan of €7.5 million was granted on the same terms from Playtech Services (Cyprus) Limited to partly fund the acquisition of LSports Data Limited. Refer to Note 21A of the Group consolidated financial statements for details of the acquisition.

In March 2023 and following acquisition of PT Holdings (Delaware) Inc from Playtech Services (Cyprus) Limited, the Company was also assigned by Playtech Services (Cyprus) Limited to the rights of a $35.3 million loan receivable due from PT Holdings (Delaware) Inc bearing interest at 4% repayable on or prior to 30 April 2029. As a result of the transfer, a respective loan payable due to Playtech Services (Cyprus) Limited was created bearing interest at 3.5% also repayable on demand.

Finally, to easily facilitate the bond interest repayments and other outstanding debt requiring settlement, an intra-group facility agreement was introduced with Playtech Services (Cyprus) Limited, whereby the Company has the ability to draw down an aggregate amount of maximum €150.0 million. The loan bears interest at the rate of 5.3% and is repayable upon demand. As at the reporting date, the credit facility drawn amounted to €123.2 million.

Five-year summary

	2023 €'m	2022 (Restated) €'m	2021 €'m	2020 €'m	2019 €'m
Income statement					
Total revenues from continuing operations	**1,706.7**	1,601.8	1,205.4	1,078.5	1,440.5
Adjusted EBITDA from continuing operations	**432.3**	395.4	317.1	253.6	375.3
Adjusted Profit from continuing operations	**156.8**	160.5	127.6	27.3	138.0
Balance sheet					
Non-current assets	**2,475.9**	2,300.8	2,300.5	1,667.3	2,062.4
Current assets	**830.6**	703.5	845.9	935.3	1,005.5
Assets classified as held for sale	**19.3**	19.6	507.4	468.9	36.8
Current liabilities	**597.7**	755.4	490.3	513.7	773.7
Non-current liabilities	**920.9**	565.0	1,236.0	1,352.4	1,108.8
Liabilities directly associated with assets classified as held for sale	**1.0**	1.0	344.8	309.2	3.6
Net assets	**1,806.2**	1,702.5	1,582.7	896.2	1,218.6
Equity					
Additional paid in capital	**611.8**	606.0	606.0	592.1	601.0
Reserve for re-measurement of employee termination indemnities	**0.4**	0.4	(0.5)	(0.4)	(0.3)
Employee Benefit Trust	**(17.8)**	(17.2)	(23.2)	(14.5)	(16.2)
Put/call options reserve	**—**	—	(3.7)	(3.7)	(16.4)
Foreign exchange reserve	**(7.4)**	0.3	(22.7)	(21.3)	(1.4)
Retained earnings	**1,219.2**	1,113.0	1,026.5	343.7	656.2
Non-controlling interest	**—**	—	0.3	0.3	(4.3)
Statistics					
Basic adjusted EPS (in Euro cents) from continuing operations	**51.7**	53.5	42.8	9.2	45.5
Diluted adjusted EPS (in Euro cents) from continuing operations	**50.2**	51.5	40.9	8.8	44.6
Ordinary dividend per share (in Euro cents)	**—**	—	—	—	18.1
Share price low/high	**370.0p/634.5p**	390.8p/731.5p	351.0p/770.0p	140.3p/424.3p	360.5p/457.7p

Company information

Registered office
Ground Floor
St George's Court
Upper Church Street
Douglas
Isle of Man IM1 1EE

Corporate brokers
Goodbody Stockbrokers
49 Grosvenor Street
London W1K 3HP

Jefferies International Limited
100 Bishopsgate
London EC2N 4JL

Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Communications adviser
Headland PR Consultancy LLP
Cannon Green
1 Suffolk Lane
London EC4R 0AX

Legal adviser
Bryan Cave Leighton Paisner LLP
Governor's House
5 Laurence Pountney Hill
London EC4R 0BR

Registrars
Computershare Investor Services (Jersey) Limited
13 Castle Street
St. Helier
Jersey JE1 1ES

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